



Daily Report

Central Eurasia

FBIS-SOV-95-166
Monday
28 August 1995

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Negotiations in Grozny

Newly Appointed Representative Arrives in Grozny

LD2808092195 Moscow ITAR-TASS World Service
in Russian 0652 GMT 28 Aug 95

[By Sharip Asuyev and Mikhail Shevtsov]

[FBIS Translated Text] Grozny, 28 Aug (ITAR-TASS) — Oleg Lobov, the Russian president's representative in the Chechen Republic and secretary of the Russian Security Council, arrived in Grozny this morning.

"I am here to see the situation on the ground for myself," he told journalists. "A group of experts is already at work preparing for the Security Council meeting in Moscow on 30 August." Oleg Lobov stressed that both the president and the government were concerned with the state of affairs in Chechnya.

Only recently appointed as the Russian president's representative in Chechnya, Oleg Lobov has an extraordinarily full itinerary ahead. On arrival in Grozny, he will hear reports from the subgroups within the Security Council working group. He plans to meet leaders of the national rebirth government and of the Chechnya national accord committee.

In the afternoon he will hold conferences at the territorial directorate of the federal executive authorities in Chechnya and with the command of the joint group of federal forces.

In addition, Oleg Lobov intends to meet representatives of the OSCE [Organization for Security and Cooperation in Europe] mission in Grozny and elders and members of the clergy in the republic. He will also visit economic installations being rebuilt and view federal troop units.

In the evening, Oleg Lobov will hold a news conference in Grozny. He will then leave for Moscow.

Yeltsin Explains Lobov's Responsibilities

LD2508164295 Moscow NTV in Russian
1500 GMT 25 Aug 95

[From the "Today" program]

[FBIS Translated Text] The newly appointed representative of the Russian president in Chechnya is taking up his duties in a situation which could develop in an extremely unpleasant way. Boris Yeltsin has signed an edict appointing Oleg Lobov to the post, but has not yet issued it. The president spoke to journalists about Lobov in detail today:

[Begin Yeltsin recording] He is my authorized representative, but he retains the duties of secretary of the

Security Council. He is going there as secretary of the Security Council, as my personal authorized representative, and he will be the top official over all bodies in this transitional period until the elections in the Chechen Republic. He will have to stay there for a year or so, perhaps, and work very seriously there, but he will coordinate everything, all the military and civilians. [end recording]

Yeltsin 'Unsatisfied' With Arms Surrender

LD2508162595 Moscow INTERFAX in English
1554 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Russian President Boris Yeltsin is "extremely unsatisfied with how arms are [being] handed in Chechnya." Presidential Press Secretary Sergey Medvedev told journalists in the wake of Yeltsin's conference with the Interior Ministry leadership in Moscow Friday.

Medvedev said Yeltsin instructed the Interior Ministry "to prevent and reveal illegally circulating arms in the country, first of all in the Chechen republic."

According to the latest reports, only 600 firearms out of a suspected 55,000 have been handed in, Medvedev said. "Some people in Chechnya have five to six firearms. [Once they have] Handed in one arm, money is received. This money will last for two, three and even four months, while an entire arsenal is in their basement," he added.

Dudayev 'Displeased' With Disarmament Pace

LD2708132895 Moscow INTERFAX in English
1236 GMT 27 Aug 95

[FBIS Transcribed Text] GROZNY, Aug 27 (INTERFAX) — Dzhokhar Dudayev is "extremely displeased with the pace of disarmament and the federal troops' withdrawal from Chechnya," leader of the Chechen delegation to the talks in Grozny, Khozh-Akhmed Yarikhanov told INTERFAX Sunday.

He noted, however, that Dudayev "still supports the idea of disarmament and simultaneous removal of the Russian troops".

Yarikhanov expressed the opinion that disarmament "would proceed much more energetically if the Russian command began to pull out the federal troops from Chechnya."

Chechens Surrender 687 Firearms in 10 Days

LD2808062995 Moscow ITAR-TASS in English
0621 GMT 28 Aug 95

[FBIS Transcribed Text] MOSCOW, August 28 (ITAR-TASS) — Over the past ten days, Chechnya has surren-

dered 687 firearms of all kinds and more than 20,000 rounds of ammunition, a spokesman for the federal forces in Chechnya told ITAR-TASS by telephone on Monday morning.

Some of these weapons were handed in voluntarily, others were surrendered for money, and some of the firearms and munitions were seized by federal forces from illegally armed groups.

Process Continues

*LD2508161395 Moscow INTERFAX in English
1348 GMT 25 Aug 95*

[FBIS Transcribed Text] GROZNY, Aug 25 (INTERFAX) — The best results in the handing over of arms by Chechen fighters and simultaneous withdrawal of federal forces from the occupied territories were reached in the outskirts of Grozny, commander of the Russian forces in Chechnya Lieutenant-General Anatoliy Romanov declared at a joint press conference in the Chechen capital Friday.

At the same time he noted that disarmament of Dudayev's fighters and withdrawal of federal forces from Achkhoy-Martan and Sunzhen regions is to be concluded in the near time.

For his part, the Chechen side's military commander Aslan Maskhadov reported that the disarmament of fighters and of the population has begun in Nozhay-Yurt, Shali, Vedensk, and Gudermes regions.

Responding to INTERFAX on real terms of complete implementation of the agreement on military issues, Romanov noted that "everything depends upon the psychology of the people in every particular populated center, upon the situation there."

To this effect, he said, members of the special supervision commission are carrying out a lot of work explaining the situation among the local population and are negotiating with field commanders.

Mentioning the problem of exchanging prisoners of war and people who are being kept by force, Romanov said that at present the command is searching for and trying to determine the whereabouts and fate of 41 Russian servicemen. A list containing the surnames of these people was handed over to the special commission in charge of POW exchange.

Chechen Arms Surrender 'Gaining Momentum'

*LD2708194495 Moscow ITAR-TASS in English
1916 GMT 27 Aug 95*

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNY, August 27 (ITAR-TASS) — Despite some complications, the process of surrendering and destroying arms in Chechnya is gaining momentum.

A large amount of surrendered weapons was destroyed near the village of Vedenov on Sunday.

The press centre of the Russian Defence Ministry in Chechnya told ITAR-TASS that Russian troops destroyed 140 grenade launchers, 26 submachine guns, 38 hunting rifles, two large-calibre machine guns and one gun from an armoured personnel carrier.

The weapons were destroyed in the presence of Chechen separatist leader Dzhokhar Dudayev's representative Shirvani Basayev, representatives of the Russian military command and the local administration, as well as observers from the mission of the Organisation for Security and Cooperation in Europe (OSCE) in Chechnya.

On Saturday, Chechen militants handed in to Russian troops in the village of Alkhazurovo 16 automatic guns, three grenade launchers and three anti-tank guided missiles.

All in all, over 450 guns have been handed in to the Russian troops in Chechnya.

Military observers believe that specific agreements reached within the framework of a special observer commission overseeing the implementation of a military accord between Russia and Chechnya will step up the surrender of weapons next week.

Pessimism Expressed Over Disarmament of 'Rebels'

*LD2708132295 Moscow INTERFAX in English
1109 GMT 27 Aug 95*

[FBIS Transcribed Excerpt] GROZNY, Aug 26 (INTERFAX) — A senior Russian officer who declined to be identified told INTERFAX Saturday that it was impossible to disarm illegal armed formations in the Achkhoy-Martan and Sunzhen districts of Chechnya by August 30, as envisioned by a decision of the special supervising commission.

According to the source, Chechen rebels in the mountains are not going to hand over arms. Moreover, they seize even arms possessed by civilians, including hunting rifles, never used in military operations. [passage omitted]

The source said the dyarchy in many villages in the west of Chechnya impeded the implementation of the military agreement. The power there was divided between pro-Dudayev rebels who come and take it and Salambek Khadzhiyev, national revival government, he added.

Commander Orders Clampdown on Illegal Weapons

LD208084195 Moscow ITAR-TASS World Service in Russian 0710 GMT 28 Aug 95

[FBIS Translated Excerpt] Moscow, 28 August (ITAR-TASS) — "The Commanding Officer of the Joint Group of Federal Forces in Chechnya, Lt-Gen Anatoliy Romanov, has issued an order banning persons unlawfully holding weapons and ammunition from staying in or freely moving about towns and other populated areas throughout Chechnya," a spokesman at the joint group command's press center in Grozny told ITAR-TASS by telephone today.

He said this was done to support the constitutional order in Chechnya and the implementation of agreements on disarming unlawful armed units, and also because rival gangs and bands are continuing to engage in shootings, hostage-taking, murder, and other criminal acts.

The press center spokesman said that procedures are also being tightened up at checkpoints and on public transport. All vehicles passing through checkpoints, and also all items of luggage, are to be searched. Particular attention will be paid to vehicle inspections in Grozny, Gudermes, Argun, and Shali. [passage omitted]

Observers Discuss Implementation of Military Accord

LD2608104095 Moscow ITAR-TASS in English 1032 GMT 26 Aug 95

[By Sharip Asuyev and Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNY, August 26 (ITAR-TASS) — A special observer commission has met in Grozny today to discuss issues of implementation of a military accord. The meeting was attended by co-chairman of the Commission Aslan Maskhadov, and deputy commanders of federal troops in Chechnya, Yevgeniy Skobelev and Pavel Maslov. Russia's co-chairman of the observer commission Anatoliy Romanov did not take part in the meeting.

Well-informed sources reported that the commission had finalized a statute on the observer commission expected to be endorsed next week.

Colonel Kazbek Makhachev, who took part in the meeting of observers, told TASS that on August 25, a delegation of field commanders from the Achkhoy-

Martan region, in which he took part, was deliberately detained at all block posts on their way to the Achkhoy-Martan settlement where the talks were to be held despite the fact that the delegation was accompanied by a Russian officer. Therefore, they reached their destination later than scheduled and the meeting did not take place. Makhachev said that no one had given him an explanation why the delegation was detained. Despite this incident, Makhachev intends to go to Achkhoy-Martan today to settle problems pertaining to the disarmament of local militants.

However, representatives of the federal troops in Chechnya did not confirm the fact that Makhachev and other field commanders had been deliberately detained at block posts.

Romanov, Chechnya's Labazanov Hold Peace Talks

LD2708134895 Moscow INTERFAX in English 1236 GMT 27 Aug 95

[FBIS Transcribed Text] Moscow, Aug 27 (INTERFAX) — The commander of the federal contingent in Chechnya Anatoliy Romanov and the deputy secretary of the Russian Security Council Vladimir Rubanov met with an anti-Dudayev opposition leader Ruslan Labazanov, Chechen elders and the spiritual leaders, Imams, of a number of areas in Chechnya, Saturday in the village of Tolstoy-Yurt.

The meeting was held at Labazanov's place. Romanov requested those present to work for the realization of the military agreement between Moscow and the Chechen forces.

He described the situation in Chechnya as extremely complicated. "The agreement on the surrender of weapons fails to work now that slightly over 400 guns have been turned in. The suspension of that agreement may escalate tension in Chechnya," Romanov said.

Rubanov, in turn, said that the federal authorities and the Chechen people must make a joint decision on "what is to be done by the federal government for the sake of peace in Chechnya."

Labazanov said that "Chechens were beginning to surrender weapons under the mediation of Imams but the Argun developments interrupted this process." In Labazanov's view, there were no leaders capable of restoring order in Chechnya.

The Chechen elders appreciated what Romanov said. Romanov was taking into account the Chechens' ethnic peculiarities and showed respect of Chechen traditions, they said.

'General Confusion' Observed in Chechnya

MM2508161895 Moscow IZVESTIYA in Russian
26 Aug 95 p 2

[Report by Boris Vinogradov: "Russian Security Council Face to Face With Chechnya"]

[FBIS Translated Text] Groznyy — A Security Council working group with over 20 members has arrived in Groznyy and, so the press release read out by Vladimir Rubanov, deputy to Security Council Secretary Oleg Lobov, says, has begun "studying the situation on the spot." O. Lobov himself will arrive Sunday, now with the status of the Russian president's official representative in Chechnya.

The study of the situation began with a closed-door discussion in the office of Nikolay Semenov, leader of the territorial administration of the Russian Federation federal organs of executive power in the Chechen Republic, to which Umar Avturkhanov, chairman of the Committee for National Accord, was also invited.

Against the background of the general confusion and deadlocked issues, which the situation has seen a marked increase in over recent days, such an impressive landing force from Moscow has prompted not only conjecture but also hopes that something will be clarified. Although few experts on the Chechen problem here share the president's optimism that the situation "will enter the normal working mainstream" with Oleg Lobov's appointment.

There is a need for analysis, of course, and both the "federals" and the Chechens themselves equally feel the need to investigate what is actually happening.

The group is quite high-powered. It includes the heads of Security Council interdepartmental commissions, high-ranking backroom boys, and representatives of various ministries. It is reported here that they are looking at five spheres: military problems and political, socioeconomic, legal, and information problems. The resultant findings and recommendations will be on the president's desk for the Security Council session set for Wednesday in Moscow.

We can only conjecture what new ideas the "inspectors from Moscow," as journalists have already dubbed the members of the working group, will come up with, but no one expects elementary solutions. More often than not in conversations with Chechens both at rallies in the squares and in well appointed offices you hear: Everything can be solved very simply. How? Execute this person, this person, and this person.... Even the gunman Alaudi Khamzatov, who caused the recent commotion in Argun, stated that the war can be ended

by shooting Dzhokhar Dudayev, Aslan Maskhadov, Shamil Basayev, and another "couple of people."

The reports from the military that the process of implementation of the agreements and surrender of weapons is in "full swing" in a number of rayons in Chechnya create a rather reassuring picture. Anatoliy Romanov and Aslan Maskhadov are meeting daily in the building of the former Groznyy military commissariat and, as cochairs of the Special Observer Commission, make a public display of mutual understanding, though it cannot be described as complete.

Maskhadov is expressing dissatisfaction at the fact that his gunmen alone may be disarmed, while Avturkhanov's men are left with their weapons. Furthermore, he is insisting that the self-defense detachments being set up in population centers include only Dudayev supporters who have come down from the mountains. Furthermore, he says, the council of elders will not have the right to a deciding vote, which is promised under the agreement.

Nevertheless, people now regard neither Romanov nor Maskhadov as representing a real force capable of changing anything and of keeping the sides from precipitate action. The surrender of weapons is certainly not in "full swing," but it has to be admitted that the measures carried out now in one place, now in another are having a calming effect.

Ceremonies for the collection of illegal firearms, which are rather reminiscent of propaganda spectacles and are of chiefly symbolic significance, are a new phenomenon. After a successful premiere in Zandak similar shows have been staged in other settlements. Romanov and Maskhadov have now deemed it possible to adopt a pledge and "largely" complete by 30 August the disarmament process in Achkhoy-Martan, which is where, according to certain information, Dudayev's headquarters is, and by 10 September they are planning to complete the collection and destruction of heavy military equipment there.

When I asked what will happen if the pledges are not fulfilled on time, the commander of the Russian federal forces said that he would set another date, and these deadlines should not be regarded as ultimatums. Rather they are a stage in work that the Special Observer Commission is mapping out for itself.

Umar Avturkhanov, with whom I was able to talk, makes no secret of the fact that he does not believe it is feasible to implement the agreement on the military package of questions. He also doubts Maskhadov's sincerity and calls on Romanov not to place any particular trust in a man "who lied and deceived for three

years." For his part Avturkhanov offers an assurance that he will not hold up the surrender of weapons and he is also prepared to disarm.

Dudayev supporters say that Avturkhanov's and Labazanov's people are surreptitiously buying up weapons from the population for a higher price than the Special Observer Commission is paying and therefore they are preparing for war against us. The commission is promising to investigate. The investigation takes days and weeks.

According to the Special Observer Commission, around 300 assault rifles and machine guns have been collected. This is a miserly proportion of the total number of weapons — 65,000 — of course. The people who say that at this rate Chechnya will be disarming until the end of the century are right. The figure of 65,000 is unofficial. It was proposed by Maskhadov, but then he himself repudiated it. The Russian side states that Maskhadov's figures generally coincide with its information, but it agrees to regard these figures as "approximate." This not the point, General Romanov says, the most important thing is to continue the progress.

The commander himself also admits that the criteria for the "state of disarmament" have not been elaborated precisely enough. It would be naive to believe that all Chechens will get rid of their weapons for a price or selflessly, he stresses. So it is difficult to say at what point it will be possible to reckon that the disarmament process is complete. But all the indications are that the dates for the resumption of talks on the next package of questions — Chechnya's political status — depend on this. Romanov believes that the problem can be solved as a package and both the military and the politicians can move simultaneously toward the goal.

Umar Avturkhanov formulates his vision more precisely: first disarmament, then elections, the adoption of a constitution, and the formalization of relations with Russia, and only then the definition of status.

There is also total confusion over the issue of status. Lechi Magomedov, Avturkhanov's deputy on the Special Observer Commission, for instance, claims that the Chechens will themselves find a form of political existence and state structure. Maybe a form that has never existed in the history of mankind, he told me.

In this respect the oppositionists and the Dudayev supporters seemingly have much more in common than they do in the arguments over military matters. At any rate, none of my interlocutors at this level unequivocally supported Arkadiy Volskiy's formula of a "Free Chechnya, but within Russia."

Military Operations

General Notes Growing Attacks on Border Guards

LD2608163795 Moscow *ITAR-TASS in English*
1629 GMT 26 Aug 95

[By Sergey Chereshnev and Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — A top Russian general said 22 Russian border troops were killed and over 30 wounded by Chechen militants and terrorists since the outbreak of the eight-month war in Chechnya last December.

Nikolay Bordyuzha, deputy head of the Russian Border Guards Service, told journalists on Saturday that terrorist acts and attacks on border guards protecting Chechnya's administrative border are growing increasingly aggressive.

Chechen militants bypass Russian military patrols and carry out regular attacks on units and border posts, the general said, adding that over 150 such attacks have been reported.

A group of Chechen militants who attacked Russian border guards in Daghestan — a North Caucasus republic bordering on the breakaway republic of Chechnya which seeks independence from Russia — has been scattered by joint efforts by border guards and Interior Ministry troops, but terrorist acts continue, he said.

As a result of the attack, four Russian border guards were killed, Bordyuzha said. Fourteen more were wounded in the ensuing fighting on Friday. Casualties were also reported in Daghestan's Interior Ministry troops.

The Russian troops routed the attackers late at night after they had destroyed three heavy KamAZ trucks which were carrying a reinforcement for the militants who outnumbered them by six times.

The general said the fate of five border guards — four officers and one soldier driver — who were ambushed on Thursday by Chechen militants remains unknown.

At daybreak the Russian troops began to comb the area and launched a search for the captured servicemen.

Chechen Gunmen Forced To Leave Dagestan

LD2508191195 Moscow *INTERFAX in English*
1826 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Russian border guards and the Dagestani Interior Ministry's units have managed this afternoon to seal off and force out of Dagestan back to Chechnya the illegal armed formation against which border guards have

been fighting since this morning near the Kezenoyma lake, well-informed sources told INTERFAX.

According to updated information, border guards lost four people killed and over 10 people wounded. Eight officers of the Dagestani OMON (special police) were killed.

Casualties against Chechen gunmen remain unknown yet.

Situation in Dagestan Stabilizes After Clash

LD2608083995 Moscow *ITAR-TASS in English*
0758 GMT 26 Aug 95

[By Gadzhiiy Shamov]

[FBIS Transcribed Text] MAKHACHKALA, August 26 (ITAR-TASS) — The situation in Dagestan mountains where federal borderguards clashed with Chechen rebels last Friday, has stabilised, although it remains tense, ITAR-TASS learnt on Saturday from the headquarters of the Russian Federal Border Service for Dagestan.

Protection of the administrative border between Chechnya and Dagestan was reinforced. Borderguards closely follow movements of armed people on the Chechen side of the border. Surrounding woods and gorges are being combed.

According to the latest information from the same source, Chechen rebels who wormed their way into Dagestan, captured a detail of borderguards who patrolled a section of the administrative border between Dagestan and Chechnya on the Kharami pass.

A reconnaissance group of 30 went to track down the lost borderguards. They ran into a detachment of gunmen numbering 120- 200 near Lake Kazenoy-Am in the Botlikh district. A battle started, during which both sides sustained losses.

Following several hours of a firing engagement, rebels retreated and dispersed in mountains after borderguards received a reinforcement.

According to a report from the Botlikh district police department, five borderguards were killed, eight wounded, and five are missing. The number of casualties among gunmen is not known, since they took all the wounded and killed with them when they retreated.

The border headquarters for Dagestan noted that "this incident is, although a major clash, one of many which regularly happen on the administrative border between Dagestan and Chechnya.

"It graphically showed another time that there are many uncontrolled groups of rebels in Chechnya as well as people who seek to torpedo implementation of

the agreement on military issues, which was reached between the federal and Chechen sides in Grozny.

"Notwithstanding the fact that this agreement is not fulfilled in Chechnya, combat operations are shifted to neighbouring Dagestan. This is done to destabilise the situation on the border with Chechnya and to draw neighbouring peoples into the war.

"Border troops do their best to frustrate such plans."

Border Service Views Clash as 'Provocation'

LD2708130695 Moscow *INTERFAX in English*
1109 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 26 (INTERFAX) — A deputy director of the Federal Border Service (FPS), Nikolay Bordyuzha, has described the Russian border guards' clash with a strong and well-armed group of Chechen rebels in Dagestan on August 25 as "another provocation designed to torpedo peace settlement in Chechnya."

As a result of the clash, four Russian border guards, including one officer, were killed and 14 wounded. The wounded were taken to hospital in Makhachkala and Kaspiysk.

Bordyuzha told journalists in Moscow Saturday that "the border guards went into a trap skillfully masterminded by Chechen rebels. The rebels had kidnapped a car with five Russian servicemen earlier that afternoon and expected the border guards to undertake response actions. In addition, they had taken all important heights around, heavily outnumbered the border guards and were well-armed, Bordyuzha said.

The rescue group was searching for the missing car when it came under heavy fire with grenade launchers and machine-guns. Fierce fighting went on for more than six hours. The FPS leadership assured the journalists that the clash had taken place precisely in Dagestan, not in Chechnya.

The FPS did not exclude the possibility of similar provocations in future. The personnel at border posts on the Chechen-Dagestani border had been doubled, it said.

Gudermes Under Control of Federal Forces

LD2808054995 Moscow *ITAR-TASS in English*
0419 GMT 28 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] GUDERMES, August 28 (ITAR-TASS) — The situation in Gudermes is now

under control thanks to measures taken by the command of federal forces in Chechnya. Federal troops deployed in the area and posts in the city proper have been reinforced.

At the same time, representatives from local police say that the situation may deteriorate, since former chief of the Chechen state security department Sultan Geliskhanov has not given up intentions to take the post of Gudermes military commandant, to which he was appointed by an order of separatist leader Dzhokhar Dudayev.

According to local police, there are about 60 rebels in the city. However, representatives from a subunit of Moscow commandoes claim that there are 200 gunmen in the town. Besides, according to their estimates, there are many Dudayev's sympathisers in Gudermes.

According to data from secret services, Geliskhanov and his detachment is now in mountains, some 10-15 kilometers south-east of the city.

Interior Minister Denies Occupation of Gudermes

LD2508192195 Moscow Russian Public Television
First Channel Network in Russian
1700 GMT 25 Aug 95

[From the "Vremya" newscast]

[FBIS Translated Text] There were two reports from Chechnya this morning: One saying that there was fighting between border guards and Chechen rebels, and the other saying that rebels have captured Gudermes. The first report has been confirmed, but the second has not. Information to this effect has been received from the Russian interior minister.

[Begin recording] [Russian Interior Minister Anatoliy Kulikov, interviewed in his office] Border guards and the Dagestan OMON [Special Purpose Militia Detachment] were engaged in fighting today. I have received information that the fighting is over, but unfortunately there are losses among the border guards and the Dagestan OMON men. The clashes took place in the southeast, in the Botlikh region.

[Unidentified correspondent] What is your reaction to what is being discussed by all of the media: There was information at 1500 that in three towns in Chechnya armed formations entered the towns, took power, and claimed they were commandants of the regions appointed by Dudayev, in other words, another Argun?

[Kulikov] This information indeed came as a surprise. I have checked it out. I have just spoken to Lieutenant General Anatoliy Romanov, the commander of the Joint Group of Federal Forces in Chechnya: All this was

invented by ITAR-TASS correspondent Chuykov. He has just left Romanov's office and is to write a denial of his story. It was a fruit of his imagination.

Yes, indeed, it was in Dudayev's plans to carry out such an act, either simultaneously or consequently, in Argun, Gudermes, Shali, and Achkhoy-Martan, using rebels who had penetrated there in the past, to appoint his commandants, and thus bring back to life... [does not finish sentence] However, his plot was frustrated by the operation carried out in Argun. Much work among the population was carried out in Gudermes yesterday. Reinforced troops are performing their duties on the outskirts of these towns. Therefore, we rule out such a development.

[Correspondent] German Solomatin and Sergey Shishkin, Russian Public Television, Ministry of Internal Affairs, Moscow. [end recording]

Russian Commander Denies Reports of Detention Center

LD2608185095 Moscow ITAR-TASS in English
1840 GMT 26 Aug 95

[By Mikhail Shevtsov]

[FBIS Transcribed Text] ASSINOVSKAYA, Ingushetia, August 26 (ITAR-TASS) — A Russian military commander in Chechnya denied foreign media reports that there is a filtration point near the village of Assinovskaya in Ingushetia.

In an interview with ITAR-TASS on Saturday, the commander of Russian troops stationed near the village, said these reports do not correspond to the reality.

A group of journalists travelled to Assinovskaya today, but did not find any evidence indicating there is a filtration point there.

Meanwhile, Vladimir Tishkov, a member of the Interior Ministry's department for combating organised crime, told ITAR-TASS that all detainees are sent to a filtration centre in Grozny.

Aleksandr Strakhov, Assinovskaya's military commandant, also categorically denied such allegations.

At the same time, local residents rumoured that there is some detention centre on the territory of a dairy farm, about three kilometres from the village, where over 200 are allegedly being held.

However, the rumours proved to be wrong. The commanders of the Russian troops stationed near the farm produced a document signed by representatives of the Organisation for Security and Cooperation in Europe

(OSCE) in Chechnya on July 25 saying that there is not any filtration centre at the farm.

NTV Interviews Chechen Rebels on Fighting in Argun

LD2708204895 Moscow NTV in Russian
1700 GMT 27 Aug 95

[From the "Itogi" program]

[FBIS Translated Excerpt] [Correspondent Yelena Masyuk] The events that took place in Argun this week had similarities with the events in Budennovsk and showed once again that despite the ongoing peace talks Chechnya remains a powder keg.

Taisya Resultanova, a 26-year-old woman was buried in Argun today. She was fatally wounded when federal troops freed the district militia building from Alaudi Khamzatov's group. Khamzatov himself left for the mountains with his group late on 21 August.

[Khamzatov] It was not to let me through that they took me in a triple encirclement. They did not intend to let us pass through at all. We fought our way out and, during the fighting, I expanded our front and pushed them back under fire. The lads did a good job. [passage omitted]

I did not go into Argun to come to grips with them. The president [Dudayev] appointed me commandant of Argun. I had nothing against the accord, I did not even think they would attack. I went there in a very peaceful way. [passage omitted] [end recording]

[Masyuk] Shamil Basayev, commander of a reconnaissance and sabotage battalion, has a similar view.

[Basayev] Khamzatov acted in a very professional way and withdrew the whole group from there. The only mistake he made was that he went there without telling anyone beforehand but, at the time, he could not find Maskhadov or anyone else because they were all busy travelling around with the conciliation commission. So, he went of his own accord, without warning. [end recording]

[Masyuk] Alaudi Khamzatov claims that after arriving in Argun he succeeded in peacefully persuading the Russian commandant to transfer power in Argun to him, Khamzatov. But Ibragim Suleymenov, Chechnya's current military commissioner appointed by the federal bodies to the post, did not allow the plan to be implemented. [passage omitted]

Khamzatov himself says that his detachment numbered 50 people. Two of them were killed and three wounded.

[Masyuk] Are you going to return to Argun?

[Khamzatov] By all means. If these accords fail, I will go back to Argun but in a different way. I will return there by way of war. [passage omitted]

[Basayev] For people to hand in a lot of weapons, there has to be trust, first and foremost. I personally have no intention of handing in anything. On the contrary, I am still buying up weapons! Who should I trust, eh? For instance, I have just bought two tanks!

[Masyuk] How much did you pay?

[Basayev] Well, this is of no interest to anybody.

[Masyuk] On the contrary, this is very interesting because I have heard that an infantry fighting vehicle [IFV] can be bought for \$1,000.

[Basayev] I bought an IFV-2 for \$700. I was asked \$5,000 for a tank but I paid \$2,000.

[Masyuk] And from whom did you buy it?

[Basayev] Not from Dudayev, of course! There will be war, no doubt about that. [passage omitted]

Foreign Intelligence Targets North Caucasus

954F3187A Nalchik SEVERNYY KAVKAZ in Russian
19 Aug 95 p 1

[Article by D. Saabov: "Special Services. 'I Was Used and Abandoned....'"]

[FBIS Translated Text] According to information gathered in recent years by Russian counterintelligence, the special services of a number of adjacent countries have stepped up their activity in regions inhabited by Russian Muslims, particularly in the Northern Caucasus. In the opinion of FSB [Federal Counterintelligence Service] analysts, in the Caucasus there have been attempts to create an "Islamic cordon sanitaire" out of republics included in the Russian Federation. It is as though the events in Chechnya confirm this idea rather than contradicting it, nor is it contradicted by the testimony of an agent of the Turkish intelligence organization MIT, Iskhak Kasan, who was arrested on 23 April in Dagestan together with two Chechens from D. Dudayev's inner-circle.

During the course of Kasan's "grilling," information about his activity was obtained, particularly the gathering of operational information about Chechnya and its transfer to the Istanbul committee on solidarity with Chechnya. Kasan's buddy, Kavkaz Kamil Ozyurk, "reported" to the intelligence center of Turkey. To maintain contact he used satellite communications they delivered to Chechnya. In addition to this, Kasan served as Ozyurk's interpreter in his conversations with Dudayev

and his inner circle. All the information gathered by the friends was encoded.

After Kasan was arrested, with a forged passport made out to Isak Kendir, and an inquiry was sent to the Turks, an answer was received saying that there was no such person on the lists of workers in Turkey's special services. Iskhak Kasan was embittered by such a nasty deed on the part of his compatriots and asked for a news conference. He divulged many of the details of his activity in Chechnya, complained that he had been "used and abandoned," and expressed the hope that his earnest confession and discussion would contribute to lightening his sentence. Judging from everything, that is what happened—soon it was announced that Mr. Kasan had been expelled from Russia. There is, however, the supposition that they are trying to exchange the agent for one of their own who "blew it" in Turkey.

Not so long ago, the republic FSB arrested a Turkish "journalist," Selim Eker, who was also employed in the gathering and transmission of information about the situation in the combat zone in Chechnya. Cases involving four other foreigners were also filed in the investigation department of the federal counterintelligence service administration, and again there were comrades from Turkey among them. All of them were observed in the company of the general-president and his supporters.

Politics and Nationalism

Chechen Official Calls for Elections To Decide Future

LD2508171795 Moscow INTERFAX in English
1519 GMT 25 Aug 95

[FBIS Transcribed Text] GROZNY, Aug 25 (INTERFAX) — The multi-national people of Chechnya should decide its political future through free democratic elections, the first deputy chairman of the National Accord Committee of Chechnya, Lecha Magomadov, told INTERFAX on Friday. "Our salvation is in our own hands," he emphasized saying bloodshed should be stopped first. Magomadov supported the resumption of peace talks in Grozny provided they promote the establishment of a cease-fire and prevent human victims.

Commenting on the position of the OCSE [Organization for Security and Cooperation in Europe] mission at the talks, Magomadov said it sought peace settlement of the Russian-Chechen crisis.

Filatov interviewed on Timing of Chechen Elections

LD2608212595 Moscow Russian Public Television
First Channel Network in Russian
1700 GMT 26 Aug 95

[From the "Vremya" newscast]

[FBIS Translated Text] The events in Dagestan indicate that it is not going to be so simple to disarm the illegal armed formations First Deputy Prime Minister Oleg Soskovets has told INTERFAX. He has admitted that talks on a peaceful settlement in Chechnya so far are not being supported by some of the Chechen field commanders. In such a situation the question arises on the possibility of holding elections in Chechnya.

[Begin recording] [Unidentified correspondent] Is it really possible to hold elections in the Chechen Republic?

[Filatov] Of course, it is really possible and they will be held. The only question is the dates for holding elections. There are some issues and different points of view, for example there is a definite point of view of very many people that refugees should take part in elections or should come there. This means that it will take some time. The main issue is weapons. Nobody will recognize any election which takes place at gunpoint. And foreign countries, at least the democratic ones, which are at present attentively following developments in Chechnya, of course will not recognize the results.

We do not want to hold elections like that and we want to make sure that no questions are left unanswered in this matter. So, is in this case total disarmament is required. At least a more or less normal life and sociopolitical situation must be organized there. The issue of refugees has to be resolved, and then hold ... [pauses] but the most important issue is that the constitution must be brought into line — a provision on elections has to be brought in. [end recording]

Party Policies on Chechnya Compared

954F3200A Moscow ARGUMENTY I FAKTY
in Russian No. 34, Aug 95 p 2

[Unattributed report on positions and recommendations of Russia's social and political organizations: "Chechnya: How To Overcome the Crisis?"]

[FBIS Translated Text] Center-left bloc, leader I. Rybkin:

1. The conflict should be resolved peacefully and politically.
2. If Chechnya attempts to quit Russia, the Cossack rayons of Naurskiy, Nadterechnyy, and Shelkovskoy,

which were formerly transferred to Checheno-Ingushetia by N.S. Khrushchev, should remain in the Russian Federation.

Liberal Democratic Party of Russia, leader V. Zhirinovskiy:

1. There can be no negotiations.... Freeze the situation.
2. The Armed Forces of Russia should be posted everywhere. No guerrillas, no groupings!
3. If the decision was made to restore the Constitution of the Russian Federation throughout the Chechen Republic, we must fulfill this decision, not conduct bloody operations. What sort of referendum could there be on part of Russian territory? There was a referendum on 17 March 1991. Everyone at that time advocated a single union state....
4. And no elections! Elections only on 17 December 1995—to the State Duma.

Yabloko, leader G. Yavlinskiy:

1. We take a negative view of the idea of Chechnya's independence. Russia represents a unified, indivisible state. This principle of territorial integrity is unshakable.
2. But we are opposed to a resolution of this crisis by power methods. The war may be halted only by political methods—by way of negotiations with those who control the situation.
3. We are for troop withdrawal, but gradual, in exchange for disarmament.
4. The status quo needs to be maintained until the elections are held.
5. After the elections, creation of the power structures.

Party of Russian Unity and Accord (PRES), leader S. Shakhrai:

1. Fulfillment of the military agreement on disarmament of 30 July 1995.
2. Formation of an all-Chechen roundtable, at which the conditions, procedure, and structure of elections should be determined.
3. Elections with the participation of the population that has left Chechnya (Russian included). Elections in the places where they are temporarily resident.
4. Based on the election results, determination of the particular feature of the status of the Chechen Republic and its conversion into a full component of the Russian Federation with broad powers.

Communist Party of the Russian Federation, leader G. Zyuganov:

1. The three rayons of Stavropol Kray (Naurskiy, Shelkovskoy, and Nadterechnyy) given to Chechnya in compensation for the deportation should be put under sure protection.
2. The population, who could return from Grozny and other regions and who is being persecuted by the Dudayev regime, should be put under protection.
3. Federal troops and the border services should place under strict control both the state border with Chechnya and the administrative border with all other republics.

Russia's Democratic Choice, leader Ye. Gaydar:

1. All agreements on military issues must be observed.
2. The issue of Chechnya's status should not be pivotal until elections have been held.
3. Under no circumstances should the negotiating process be halted. It is essential to eschew the language of ultimatums and to support the forces that do not want war.

4. The gradual formation of local authorities. As far as the question of Chechnya's independence or its dismemberment is concerned, this is the talk of irresponsible politicians, a consequence of their political myopia.

Worker Self-Management Party, leader S. Fedorov:

1. A peaceful resolution of the conflict.
2. A referendum on the status of Chechnya.
3. If the Chechens advocate independence, we could agree to this, but strict state (political and economic) borders must be drawn here.
4. A gradual troop withdrawal.
5. The Mikrokhirurgiya glaza Interbranch S&T Combine will accept for free treatment all citizens who have sustained eye injuries during combat operations in Chechnya.

Russia Is Our Home, leader V. Chernomyrdin:

1. The unconditional fulfillment of the agreements on a peaceful settlement of the situation.
2. The complete disarmament of the illegal armed elements.
3. After this, free democratic elections to the parliament of the Chechen Republic and the Federal Assembly of Russia with the participation of the entire population, including those forced to leave the Chechen Republic.
4. Creation of the conditions for the return of Russians and the representatives of other nationalities to their former places of residence.

5. The signing of a treaty on the delineation of authority and terms of reference between organs of state power of the Russian Federation and the Chechen Republic as a component of the Russian Federation.

6. As a result of these measures, the Chechen Republic should become a full component of the Russian Federation.

Women of Russia political movement, leader Ye. Lakhova:

1. Peace negotiations for saving human lives. Negotiations with those with influence on the population or the adoption of positive decisions.

2. Elections of local authorities.

3. Adoption of a Constitution of the Chechen Republic.

4. Determination of the relationship of the Chechen Republic and Russia via the Constitution of the Russian Federation.

5. The creation of centers for the rehabilitation of those involved in the fighting in Chechnya.

Council of Europe Briefed on Chechnya Situation

MM2508145495 Moscow ROSSIYSKIYE VESTI in Russian 25 Aug 95 p 1

[Unattributed report: "Last Obstacles to Russia's Membership of Council of Europe Being Removed: This Is the Conclusion of International Experts After Chechnya Visit"]

[FBIS Translated Text] The group of rapporteurs of the Council of Europe Parliamentary Assembly, which arrived in Moscow 21 August, visited the Chechen Republic 22 August to prepare a report for its next session. In Groznyy they were given an opportunity to meet and converse with all representatives involved in the talks, as well as with officials.

The following addressed, and answered questions from, the delegation:

A.A. Romanov, commander of the Russian Federation Joint Group of Armed Forces in the Chechen Republic and cochairman of the Special Observer Commission;

S.N. Khadzhiev, chairman of the Chechen Republic Government of National Revival;

U.D. Avturkhanov, chairman of the Chechen Republic Committee of National Accord;

S. Meszaros, leader of the Organization for Security and Cooperation in Europe [OSCE] assistance group;

A. Maskhadov, chief of staff of the armed formations and cochairman of the Special Observer Commission.

The information obtained by the delegation answers in full all six of the critical questions which the Council of Europe Parliamentary Assembly put to the Russian Federation on the basis of the results of the previous visit to the Chechen Republic in June 1995.

Cessation of Combat Operations

This is the first item in the agreement signed between the Russian side and the representatives of the armed formations of the Chechen Republic. Large-scale combat operations have ended in accordance with it. According to the detailed report by Joint Group of Armed Forces Commander A.A. Romanov, this point is being complied with on the whole. However, provocative attempts by certain field commanders to wage a war of their own, forcing the Russian side to take appropriate measures, do occur.

Russian Troops Not Stationed in Population Centers

Russian troops are not stationed in population centers at the present time. Rayons with a relatively stable situation, from which the withdrawal of troops to permanent stationing locations has already begun, were listed by Commander Romanov. Romanov and Maskhadov described in detail the events which took place in the population center of Argun. The civilian population did not suffer during the military-cum-police operation to oust the guerrillas, as the time of the start of the operation was notified in advance.

Troop Discipline Tightened, Judicial Decisions Delivered in 20 Cases

The military command informed the delegation that as of now judicial decisions have been delivered in 20 cases involving actions by Russian servicemen. Discipline among the troops is being monitored.

Filtration Centers Closed

During the trip made in advance of the Council of Europe Parliamentary Assembly delegation's visit, members of the Interim Observer Commission for the Observance of Constitutional Rights and Freedoms of Citizens and the staff of its apparatus visited the provisional detention center in Groznyy. No cases of unlawful detention or complaints came to light.

Restoration of the Chechen Republic's Judicial Organs

This question was not raised by the delegation. Clearly, the delegation members are familiar with the report delivered by Interim Oversight Commission Chairman V. Kovalev at the UN Committee on Human Rights,

which lays out in detail the progress made in restoring the Chechen Republic's judicial organs.

Agreement on Exchange of Prisoners Being Implemented

A. Romanov and A. Maskhadov reported on progress in implementing the agreement on the exchange of prisoners, which satisfied the delegation.

The Council of Europe Parliamentary Assembly was represented on the visit by the following:

Ernst Muehleemann, rapporteur from the Council of Europe Parliamentary Assembly Political Commission;

David Atkinson, rapporteur from the Council of Europe Parliamentary Assembly Commission for Relations with Nonmember Countries;

Rudolf Bindig, rapporteur from the Council of Europe Parliamentary Assembly Commission for Legal Questions and Human Rights.

The following accompanied the delegation:

V.P. Lukin, chairman of the State Duma Committee for International Affairs;

A.V. Loginov, chief of the Russian Federation Presidential Staff's Administration for Collaboration with Political Parties, Public Associations, and Factions and Deputies of the Chambers of the Federal Assembly;

V.N. Podoprigora, chairman of the Federation Council Committee for International Affairs.

Ernst Muehleemann, leader of the group of rapporteurs, expressed his confidence that a positive decision by the Council of Europe Parliamentary Assembly on the Russian Federation's membership of the Council would be forthcoming very soon.

Dudayev Responds to Russian 'Threats'

954F3178B Nalchik KHASE in Russian 19 Aug 95
p 1

[Interview with President of the Chechen Republic of Ichkeria Dzhokhar Dudayev, by Radio Liberty correspondent A. Zhilin; place and date not given: "Dzhokhar Dudayev: We Must Stop Reckless People"]

[FBIS Translated Text] [Zhilin] Mr. President, over the past two days you have received several ultimatums from the Russian Government. One was from the prime minister, and another from the president. What can you say about this hardening of the Russian position at the negotiations?

[Dudayev] For us, these ultimatums, threats, blackmail, and violence are not new. We did not, and do not, expect

anything else of the Russian side. But I want to warn the world community of potential satanic manifestations on the part of the current military regime — and to make a short statement on this subject. I take a full responsibility for it before the peoples, the Almighty, and history.

"The Russian Federation's military aggression against the Chechen Republic of Ichkeria, characterized as a criminal war unleashed and conducted by a military-criminal group, is setting a dangerous precedent for carrying out horrible barbarities.

"Having failed to achieve swift, bloody political and military goals, the organizers of the military reckless gamble, fearing a loss of real power and the prospect of being held to answer for their crimes, are hatching even more monstrous plans. Dozens of cities in Russia, in the former Soviet Union, have been prepared as sites for using biological and chemical weapons of mass destruction against the peaceful population. Rocket strikes against European countries have been prepared, as well as terrorist acts against important national-economic facilities.

"To carry out their monstrous designs, political gamblers and military criminals use national traitors and the criminal element of Chechen origins. The purpose is to discredit the national liberation struggle of the Chechen people and shift the responsibility away from the true organizers of satanic plans.

"In the name of the Chechen people, who are openly and honestly waging an unequal battle for their right to live a life worthy of an individual and a citizen, as granted to us by the Almighty, I want to declare that I have nothing to do with both the satanic designs and their organization and implementation. And that the entire burden of responsibility for their consequences rests with political gamblers and military criminals in Russia. President of the Chechen Republic of Ichkeria Dzhokhar Dudayev."

[Zhilin] What has prompted your statement? Have you received any information from your intelligence regarding preparations for acts of vandalism that will later be blamed on you?

[Dudayev] I have documentary proof of the actions in preparation, who is preparing them, and for what purpose. And by their design, they represent a monstrous threat. There are real people who testify to these preparations. There is information on accelerated preparation work on the implementation of terrorist acts. In this connection I want to warn the peoples of Russia and the former Soviet Union that such danger will become a

real threat unless preventive measures are taken and the reckless gamblers are stopped.

[Zhilin] Mr. President, what can you say about the negotiations currently under way in Grozny, the complications in the negotiations process, and Moscow's ultimatums?

[Dudayev] I want to repeat once again: I do not reject ultimatums and threats—I treat them with contempt. I have already heard so many ultimatums that I have stopped reacting to threats. And it does not make any sense to comment on them.

[Zhilin] Does this mean the end to Russian-Chechen peace negotiations?

[Dudayev] The delegation of the Chechen Republic of Ichkeria, which represents our interests, reported to me on the difficulties of conducting negotiations with the Russian side. For the reason that the Russian side is not complying with a single point of the agreements and, on the contrary, increases its military presence and aggression. So in these circumstances the negotiations process is stalled. But this is precisely the purpose of negotiations—reconciling unclear points. We have to work on it.

Soskovets on Using Oil Revenue To Rebuild Economy

*LD2608174095 Moscow Radiostantsiya Ekho Moskv
in Russian 1500 GMT 26 Aug 95*

[FBIS Translated Text] It has been announced that 12 trillion rubles [R] will be needed to rebuild Chechnya, although the draft budget for 1996 stipulates R2 trillion. This was announced today by First Deputy Prime Minister Oleg Soskovets. According to Soskovets, the government believes that it can obtain the funds by trading in Chechen oil.

[Begin Soskovets recording] We are now looking at the possibility of selling oil. Oil production is now at 3,000 tonnes a day, which is about \$500,000 a day. We are now drawing up proposals for the president on what to do with this hard currency, in order to have certain preferences where customs [word indistinct] duties are lowered in order to create our own funds for the restoration of the ruined economy. [end recording]

ITAR-TASS Carries Press Review for 26 Aug
LD2608054595 Moscow ITAR-TASS in English
0450 GMT 26 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 26 (Itar-Tass) — The ROSSIYSKIE VESTI newspaper features an interview with head of the Russian president's office Sergey Filatov on the August 1991 events and on the main stages of Russia's post-August development.

Only four years passed since the day when the historic words "Vivat, Russia" sounded out loud near the walls of "the White House".

However, an impression is that at least four decades passed, Filatov says. He expresses opinion that Russia is living through a transition period, during which "priority of a democratic and reformist version (of the country's development) seems definite enough and irreversible".

The same newspaper carries an interview with Valentina Zhiltsova, a high-ranking official of the family, women and children department at the Russian Ministry for Social Protection, dealing with the federal law on state allowances to citizens having children.

The approved law establishes a single system of state allowances to citizens having children in connection with their birth and upbringing. The system ensures them guaranteed material support.

Under the headline "Yeltsin will join presidential race if democrats loose in December", the IZVESTIYA newspaper runs an article, saying that the president's team does not remain an aloof onlooker of the election struggle.

The Kremlin closely follows the regrouping of political forces before the general elections, try to make forecasts and even to swing this process. This is corroborated by a series of Yeltsin's meetings with Gaydar, Yakovlev, Popov and Lysenko, the daily notes.

IZVESTIYA comments on a critical situation in the banking sphere, which developed last Thursday. The article dealing with this event is entitled "Russia may land up without banks, and Russians — without money".

The interbank credit market where banks give money to one another or borrow credits from one another, turned to be between life and death, the daily claims.

The SOVetskaya Rossiya newspaper runs an article on the same topic, entitled "Thursday blacker than Tuesday" (Eds: reference is made to the October 1994 event when the rouble crashed by several hundred points against the dollar on the Moscow interbank currency exchange).

The daily writes that about 90 percent of banks did not participate in exchange operations on August 24, which is a symptom of "a complete collapse of the monetary system, in comparison with which 'the black Tuesday' is nothing to be mentioned of".

The ROSSIYSKAYA GAZETA newspaper carries an article dealing with the situation at the Russian Interior Ministry. It describes a meeting between President Boris Yeltsin and the ministry's top executives.

Speaking of the operation of law enforcement bodies, the president admitted that it does not match the gravity of the criminal situation.

The Russian leader formulated the main areas for improving the work of law enforcement bodies, among which prevention of crimes among minors and work to prevent and expose illegal arms trafficking are among the main.

ROSSIYSKAYA GAZETA runs a material devoted to the second congress of the Our Home is Russia movement, scheduled for September 2. Hectic work is underway at the headquarters of the movement these days to compile draft documents which will be submitted to the congress.

According to a deputy chairman of the editorial commission, all the main sections of the platform will be amended.

The PRAVDA newspaper front-pages an article dealing with problems of coal miners. On the eve of Miners' Day, the newspaper describes a hunger strike by miners of the Rostovugol joint stock society, protesting wage delays.

Moscow, Washington To Cooperate on Balkan Settlement

*LD2508172295 Moscow INTERFAX in English
1622 GMT 25 Aug 95*

[Report by diplomatic correspondents Aleksandr Kozun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 25 (Interfax) -- Russia considers the recent meeting between representatives of the Contact Group for Bosnia (Russia, the U.S., Great Britain, France and Germany) in Washington as proving that the U.S. are aiming at joint work. Russia also aims at cooperation, the Russian Foreign Ministry's spokesman Mikhail Demurin told Interfax today.

He said Russia was grateful to the U.S. for the information which the U.S. colleagues had released on the results of their mission to the Balkans.

Demurin repeated that the Russian president's envoy for settlement in the former Yugoslavia, Aleksandr Zotov, had recently visited Zagreb, Sarajevo and Belgrade where he had held talks within the scope of the Contact Group's activity on the initiatives proposed by Russian President Boris Yeltsin.

Yeltsin called for a meeting between the heads of the world's leading countries, the leaders of the parties to the Bosnian conflict and the presidents of the United Republic of Yugoslavia, Croatia and Bosnia.

Demurin said Russia's partners would, as usual, be briefed on the results of Zotov's trip.

Demurin said the Contact Group would meet in Paris next week on the level of directors of political departments under the foreign ministries.

With regards to the situation in Gorazde from where U.S. [as received] peacekeepers are being withdrawn, Demurin said Russia urged the parties to the conflict in Bosnia to prevent actions which might lead to escalation of military actions.

Demurin said the decision to pull out U.N. peacekeepers from the Moslem enclave of Gorazde which the U.N. declared as a "safe area" was made proceeding from the real situation. "The U.N. peacekeepers could not act in line with their mandate," he said.

Demurin said the Bosnian leaders reserved their reaction to Moscow's proposal on sending Russian peacekeepers to Gorazde. However, "there were no other realistic proposals on sending other contingents to this region. All these technical, economic and political factors led to

the decision on the peacekeepers' withdrawal," Demurin said.

Country Not To Withdraw Troops From UN in Slavonia

*LD2508152095 Moscow ITAR-TASS in English
1442 GMT 25 Aug 95*

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, August 25 (Itar-Tass) -- Two battalions of Russian paratroopers from the U.N. Protection Force (RusBat) will remain in the former Yugoslavia. No decision about their possible withdrawal has been taken yet, the press centre of the Russian Airborne Troops told Itar-Tass on Friday.

At present, about 1,000 Russian paratroopers are deployed in Serb Krajina and about 500 perform their peace-keeping duties near Sarajevo.

According to the press centre, for the past week, the RusBat positions repeatedly came under fire.

Although no combat actions are reported from the areas controlled by Russian peacekeepers, paratroopers are on alert. They had to cancel watches on four remote checkpoints [sentence as received].

Russian, British Journalists 'Arrested' in Yugoslavia

*LD2608165795 Moscow Russian Television Network
in Russian 1600 GMT 26 Aug 95*

[From the "Vesti" newscast]

[FBIS Translated Text] Ulmin Shakirov, a special correspondent for LITERATURNAYA GAZETA, has been arrested in the Yugoslav town of Ruda, together with a photo correspondent for the SEGODNYA newspaper and a woman correspondent for a British TV company.

Shakirov, who was working on a piece for his newspaper, had arrived in Yugoslavia with a train carrying humanitarian aid.

State Duma deputy Vladimir Lukin has appealed to the Russian Foreign Ministry to help ensure the release of Shakirov and his colleagues.

Tatarstan Trying To Contact Taleban To Free Hostages

*LD2508165295 Moscow INTERFAX in English
1348 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (Interfax) -- Government officials and religious figures of the Russian Republic of Tatarstan left for Sharjah, the

United Arab Emirates, Friday, to try to meet members of the Afghan opposition group Taleban, who have seized a Tartar airliner and is holding its crew hostage, the head of the Tartar parliament said.

Vasiliy Likhachev told Interfax the delegation included envoys of Tartar President Mintimer Shaymiyev and several Muslim leaders headed by Mufti Hazrat Gabbulla Galiullin.

Shaymiyev might shortly send his international affairs advisor Timur Akulov on a similar mission, Likhachev said.

Taleban seized an Ilyushin-76 jet owned by the private Tartar airline Aerostan when the plane was en route from Tirana, Albania, to Kabul with a load of ammunition for the Afghan government, which had rented the liner. Taleban warplanes forced the Ilyushin to land and took its crew of seven hostage.

The delegation is going to hand Taleban representatives a letter from Shaymiyev and Tatarstan's Muslim hierarchy asking the opposition group to release the crew, Likhachev said.

He expressed the hope that assistance would come from the government of Pakistan, which, he said, had considerable influence over Taleban.

He expressed the opinion that the "Muslim factor" might prove essential in talks with Taleban, for "it's obvious that the Talebs' actions violate the key principles of the Koran."

Minister Leads Team

LD2608102795 Moscow ITAR-TASS World Service in Russian 0938 GMT 26 Aug 95

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Translated Text] Kuwait, 26 Aug (ITAR-TASS) — A Russian delegation, led by Timur Akulov, head of the Foreign Relations Department of the Tatarstan presidency, has arrived in Qandahar to discuss the release of the seven crew members of a Russian Il-76 plane, which was detained by the Mojahedin on 3 August.

The delegation, which has previously met with the Mojahedin leaders, includes Russian diplomat Zamir Kabulov, Mufti of Tatarstan Gabbulla Galiullin, and Bronislav Iskhakov, general director of the Aerostan company from Kazan which owns the plane, which was on lease to the Transavia company at the time of the detention (Sharjah, United Arab Emirates).

Timur Akulov will hand over to the leaders of the Taleban movement, which controls the Afghan province of

Qandahar, an appeal from Tatarstan President Mintimer Shaymiyev. The appeal contains a request to release the citizens and the property of the republic. The delegation will also hand over to the Qandahar Mojahedin appeals from the Muslims of the Republic of Tatarstan and the Executive Committee of the World Congress of Tatars.

The representative of the Transavia company told an ITAR-TASS correspondent that the Russian pilots are in "high spirits." "They hope they will be released soon from a four-week detention, despite the fact that the Mojahedin leaders so far have shown no signs of compliancy."

Taleban Refuse To Release Crew

LD2708093595 Moscow ITAR-TASS World Service in Russian 0545 GMT 27 Aug 95

[By ITAR-TASS correspondent Viktor Lebedev]

[FBIS Translated Text] Kuwait City, 27 Aug (ITAR-TASS) — At a meeting with a Russian delegation on 26 August, the Kandahar local council refused to release the Russian Il-76 plane with its crew of seven. Russian diplomat Zamir Kabulov who visited Kandahar as member of a Russian delegation told an ITAR-TASS correspondent today that the leaders of the Taleban movement, which controls the province, demand that an international conference be convened in Kandahar attended by representatives from the United Nations, the Organization of the Islamic Conference, Russia, and Tatarstan and that Russia should sign an accord in which it will renounce its participation in Afghanistan's affairs.

Country To Join Forces With PRC To Protect Border

LD2608134195 Moscow ITAR-TASS in English 1338 GMT 26 Aug 95

[By Sergey Chereshnev and Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, August 26 (Itar-Tass) — Andrey Nikolayev, head of the Russian Border Guards Service, who is winding up his visit to China, signed on Saturday an agreement on joint protection of the Russian-Chinese border.

The agreement was signed by Nikolayev and the heads of three Chinese "power ministries" — the Ministries of Defence, State, and Public Security.

The document calls for joint measures to fight border intruders and smugglers, and tighten security on the border.

Nikolayev's deputy Nikolay Bordyuzha told Itar-Tass that the visit has been successful because all the documents the Russian side prepared have been signed.

Bordyuzha said this is the first such agreement in the history of bilateral relations between the two countries. It meets the national interests of Russia and China and promotes friendship and mutual understanding on the Russian-Chinese border.

Agreement Signed With Finland on Border Control
MM2508135595 Moscow KRSNAYA ZVEZDA
in Russian 25 Aug 95 p 3

[Report by Sergey Vasilyev: "Border Guards Rapidly Reached Agreement"]

[FBIS Translated Text] Severomorsk — A working meeting between Lieutenant General Konstantin Pleshko, commander of the Russian Federation Federal Border Service Arctic Group; and Lieutenant General Matti Autio [name as transliterated], chief of the Finnish Border Guard, took place on Finnish and then on Russian adjacent territories in the region of Salla which act as a point for simplified non-visa transit for Russian and Finnish delegations.

The generals discussed communications channels for maintaining constant contact between the two countries' border guards and agreed to open a full-scale checkpoint at Salla, for whose installation an additional 38 billion rubles will be required.

MiG-21 Modernization Planned for Indian Planes
LD2808084395 Moscow ITAR-TASS in English
0722 GMT 28 Aug 95

[By Leonid Kotov]

[FBIS Transcribed Text] NEW DELHI, August 28 (Itar-Tass) — Two fighter-planes produced in Russia in the MiG-21BIS series and placed in service with the Indian airforce will soon return to Russia for modernisation within the framework of a general programme aiming to increase the combat capacity of the planes of this type.

Indian airforce Commander-in-Chief Marshal Kaul told journalists in Goa on Sunday that the modernisation project would extend the term of operation of the MiG-21BIS by another fifteen years.

Negotiations on Russia's specific participation in the programme are close to completion and the marshal said he hoped that the papers would be signed within weeks.

According to Kaul, only two Indian fighter-planes will be modernised in Russia with the participation of Indian technical specialists. Thereafter the specialists will use their new experience in India to modernise India's other 128 MiG-21BIS planes at Hindustan Aeronautics LTD enterprises in Bangalore.

A general contract for the modernisation of the fighter-planes in question was earlier signed between India and the MiG-21 developer, the Mikoyan Design Bureau. Under the contract Russia will supply radar and other modern electronic equipment which will enable India to create a qualitatively new fighter-plane, particularly since it will also be equipped with devices provided by western companies, Kaul said.

He also announced that Russia had offered India a multipurpose fighter-plane of the Sukhoi family. He said the price of a Sukhoi fighter-plane ranges between 30 million and 50 million dollars.

The Indian government has only just begun to study the proposal, the Indian marshal said.

Germany Seen As Possible Customer For MiG-29 Fighters

LD2508171995 Moscow INTERFAX in English
1558 GMT 25 Aug 95

[FBIS Transcribed Text] ZHUKOVSKIY, Aug 25 (Interfax) — The German Military Air Forces may buy several Russian MiG-29 fighters in addition to the 24 fighters inherited from the German Democratic Republic's army.

The main designer of the MAPO-MiG enterprise, Anatoliy Belosvet, told a news conference within the scope of the MAKS-95 air show in Zhukovskiy that the drafting of the agreement on military and technical cooperation between Russia and Germany was about to be completed. Belosvet said the document, which he says will be signed in the near future, provided for Russia not only to supply more fighters to Germany but also to update the MiG-29 fighters which Germany already has.

Belosvet said he regretted that the enterprise had failed to display at the MAKS-95 show the many-purpose fighter of the fifth generation known as "project 1.42." He said the Russian Defense Ministry had banned the display of the new fighter whose construction comprised the Stells [as received] technology and rotatable thrust vector.

However, the MAPO-MiG company has managed to show at the MAKS-95 nearly all models of its fighters, including MiG-21, MiG-23, MiG-25, MiG-27, MiG-29 and MiG-31 fighters.

Iranian Official Announces Deal for 20 Aircraft

LD2608204795 Tehran IRNA in English
2019 GMT 26 Aug 95

[FBIS Transcribed Text] Moscow, Aug 26 (IRNA) — Iran is to charter 20 Russian planes on condition that

they will become the property of the Islamic Republic once the period of contract is over, head of Iran's Civil Aviation Organization 'Ali Shah-Cheraghi [title and name as received] announced here today.

Shah-Cheraghi, who is visiting Moscow at the invitation of the Russian deputy transport minister for air affairs, said the deal has been worked out in a 9-point accord inked by the two countries.

He told IRNA that the accord includes increasing the number of flights between Iran and Russia to three per week, fixing four points of origin in each country, introducing more than one airline to provide services and use of Russian technical facilities by Iran.

Decree on Crime Signed With Uzbekistan

954F3179A Moscow ROSSIYSKAYA GAZETA
in Russian 18 Aug 95 p 13

[Decree 619 of the Government of the Russian Federation of 26 June 1995, Moscow: "On the Conclusion of an Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Cooperation in the Fight Against Crime"]

[FBIS Translated Text] The Government of the Russian Federation decrees:

That it approves the draft Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Cooperation in the Fight Against Crime (attached) presented by the Ministry of the Russian Federation for Cooperation With States of the Commonwealth of Independent States, coordinated with the Ministry of Foreign Affairs of the Russian Federation, the Ministry of Internal Affairs of the Russian Federation, the General Procuracy of the Russian Federation, the Federal Security Service of the Russian Federation, and the Federal Border Service of the Russian Federation, and preliminarily coordinated with the Uzbekistan side.

That it charges the Ministry of the Russian Federation for Cooperation With States of the Commonwealth of Independent States with conducting with the participation of the Ministry of Foreign Affairs of the Russian Federation and the Ministry of Internal Affairs of the Russian Federation negotiations with the Uzbekistan side and, when an accommodation has been reached, with signing the said agreement on behalf of the Government of the Russian Federation, authorizing revisions and addenda which are not of a fundamental nature to be made to attached draft.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

Accord Detailed

954F3179B Moscow ROSSIYSKAYA GAZETA
in Russian 18 Aug 95 p 13

[Unattributed explanation of the Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Cooperation in the Fight Against Crime: "No Hiding Abroad From Crime"]

[FBIS Translated Text] Crime is not only a Russian phenomenon. It is developing to an equal extent in all republics of the former Union. Nor is Uzbekistan any exception. And in order to ensure reliable protection against encroachments on the life, rights and liberties, and honor and dignity of the individual and the interests of society and the state, Moscow and Tashkent have signed an agreement on cooperation in the fight against crime.

According to this, the competent authorities of both countries will interact closely in the prevention, exposure, suppression, and detection of such crimes as violent crimes against the life, health, freedom, and dignity of the individual and also against the property of individuals and legal entities; acts of terrorism, organized crime, and corruption; the illegal handling of weapons, ammunition, radioactive material, and explosives and toxic substances; abduction and pimping; and the illicit production of and trafficking in narcotics and mind-altering substances.

The agreement also provides for interaction in the following areas: assurance of safety on transport and on the highways; organization of the execution of punishment under criminal law; passport and visa work and control of the entry, departure, transit, and stay of foreign citizens and stateless persons; the accompaniment and protection of valuable and special freight; fire safety; identification of unidentified corpses and patients and children unable to give information about themselves.

The competent authorities of the two countries shall to this end exchange information of interest on crimes which are in preparation or which have been committed and on the parties which are accessory to them; fulfill requests for operational-investigation measures; conduct a search for persons escaping criminal prosecution or the serving of sentence and also for missing persons.

Cooperation within the framework of this agreement shall be exercised on the basis of requests for assistance of the competent authorities. They may be in written or oral form. But the assistance may be denied in full or in part if the requested party believes that fulfillment of the request could be detrimental to the interests of its state or contravenes its legislation or international

commitments. And also if the action in connection with which a request is received is not a crime according to legislation in effect in the state. This agreement clearly determines, in addition, the mechanism of execution of the request and other forms of cooperation.

No less important is the fact that the parties will on the basis of legislation of their states implement, if necessary, concerted measures to ensure the safety of individuals and their close relatives whose testimony or actions are or could be of importance for preventing or suppressing the activity of organized crime groups or the investigation or judicial examination of criminal cases.

Decree Signed With Uzbekistan on Science

954F3183A Moscow ROSSIYSKAYA GAZETA
in Russian 18 Aug 95 p 13

[Decree 756 of the Government of the Russian Federation of 25 July 1995, Moscow: "On the Conclusion of an Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Scientific and Technological Cooperation"]

[FBIS Translated Text] The Government of the Russian Federation decrees:

1. That it approves the draft Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Scientific and Technological Cooperation (attached) presented by the Ministry of Science and Technical Policy of the Russian Federation, coordinated with the Ministry of Foreign Affairs of the Russian Federation and the Ministry of the Russian Federation for Cooperation With States of the Commonwealth of Independent States, and preliminarily coordinated with the Uzbekistan side.

That it authorizes the Ministry of Science and Technical Policy of the Russian Federation to make to the attached draft agreement, with its conclusive reconciliation with the Uzbekistan side, revisions and addenda that are not of a fundamental nature.

2. That A.A. Bolshakov, deputy chairman of the Government of the Russian Federation, shall sign the agreement specified in clause 1 of this decree.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

Agreement Explained

954F3183B Moscow ROSSIYSKAYA GAZETA
in Russian 18 Aug 95 p 13

[Unattributed explanation of Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Scientific and Technological Cooperation: "In the Interests of Science and Scientists"]

[FBIS Translated Text] Cooperation within the framework of this agreement is based on legislation of the two countries and also on interstate treaties, and will be determined on the basis of the interests of the development of science and technology in both countries.

The forms of cooperation vary. They include consultations on the shaping and realization of S&T policy in both countries, the implementation of joint scientific research programs and projects, and the creation of joint scientific research organizations and temporary research outfits and also innovation enterprises providing for the assimilation of new technology and techniques....

Research work in scientific research institutions, at industrial enterprises, and in higher educational institutions and technology parks of the other side, including joint field research and expeditions and the enlistment of individual scientists and specialists of one country in the performance of work in the other, is not ruled out either.

The content of the cooperation, its economic and organizational conditions, including the funding of the cooperation, use of the results of joint research work, the protection of intellectual property, responsibility for the reliability of the information and the quality of the material and equipment transferred to each other in the cooperation process, the procedure of the operation of the joint-use S&T facilities and scientific equipment, the scientists' insurance, and the terms of the academic missions of scientists and specialists shall be coordinated directly by the subjects of cooperation of the parties based on individual arrangements, agreements, and contracts.

Scientists, technical experts, and state institutions and organizations of third countries or international organizations may, as agreed by both parties, participate in the programs and projects realized within the framework of this agreement.

A Mixed Russian-Uzbekistan S&T Cooperation Commission headed by the leaders of the Ministry of Science and Technical Policy of the Russian Federation and the State Committee of the Republic of Uzbekistan

for Science and Technology shall be created to coordinate joint R&T. It will hold consultations on questions of national S&T policy and economic and legal regulation in this sphere and also coordinate on this basis the priority areas of bilateral S&T cooperation.

Spy in Germany Said Still in Place, Dormant

MM2508174095 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 26 Aug 95 p 3

[Report by Cheslav Alekseyev under "Special Services' Life and Customs" rubric: "How Our General Gave Away 'Fritz' the Spy"]

[FBIS Translated Text] There is a commotion in the German intelligence service BND [Bundesnachrichtendienst] — the domestic counterintelligence department has started searching for a major Russian spy who penetrated it way back in 1972. The large-scale checks were sparked off by an interview given to the authoritative German journal FOCUS by KGB General Yuriy Drozdov — at that time leader of the First Main Directorate's Illegal Operations Directorate.

Recently Drozdov published a book of his reminiscences in a small print run with the low-key title "Necessary Work [Nuzhnaya rabota]." In his memoirs the retired general mentioned a certain Agent D-104, who had been briefing Moscow for a long time on the German special services' secret operations and the plans of NATO countries' intelligence services. FOCUS journalists managed to set up a meeting with Drozdov — and from his answers it was concluded that the super-spy ensconced in the Bundesnachrichtendienst's central apparatus is still... working there. In a conversation with journalists Drozdov reluctantly admitted that D-104 was for the KGB a most important source of information in German intelligence and that the agent's reports were delivered to Yuriy Andropov's desk. Although 20 years have passed since then, it is reliably known that no spy has been discovered at such a level in German counterintelligence.

In a conversation with KOMSOMOLSKAYA PRAVDA's correspondent Drozdov said that work with asset D-104 ceased in 1977 — after a covert group agent was blown. D-104 was "mothballed" and since then he has not been approached for information. According to the former intelligence officer the German special services' reaction looks "somewhat pained."

"But," Drozdov observed, "this is explicable: In those years our agent was a very young man. What worries the Germans is what posts he could have reached during these 20 years! And they have good reason to be worried!"

Minister Favors Legal Agreement With Indonesia

LD2608201695 Moscow ITAR-TASS in English
2001 GMT 26 Aug 95

[By Andrey Bychkov]

[FBIS Transcribed Text] JAKARTA, August 26 (Itar-Tass) — Russian Justice Minister Valentin Kovalev said a sound legal basis is critical to fruitful relations between Russia and Indonesia.

In an interview with Itar-Tass on Saturday, Kovalev said the lack of such basis hampers progress in trade and economic cooperation. Trade turnover between the two countries over the first eight months of the year reached only 60 million U.S. dollars, he said.

Kovalev, who is in Indonesia on a visit, had a series of meetings and talks in Jakarta, including with the Indonesian justice and foreign ministers.

Moscow has suggested signing an agreement on legal cooperation on civil, family and criminal issues. The main idea of the document is that any Indonesian citizen in Russia should have the same rights as any Russian citizen in Indonesia. The Indonesian side shares this approach, Kovalev said.

The two sides also discussed ways to avoid double taxation and remove customs barriers, which is critical to the future of trade and economic cooperation between Russia and Indonesia, the minister said.

All ideas were "accepted by the Indonesian side with big understanding," Kovalev noted.

The existing problems will be solved in three stages: at the government level — during the upcoming visit to Indonesia by Vice-Prime Minister, Minister of Foreign Economic Relations Oleg Davydov; then during the Indonesian parliament speaker's visit to Russia; and finally, if all issues have been thrashed out and agreed by that time, during Russian President Boris Yeltsin's visit to Indonesia.

Political Issues

Satarov on Yeltsin's Presidential Election Plans

MM2808125195 Moscow IZVESTIYA in Russian
26 Aug 95 p 2

[Report by Vasilii Kononenko: "B. Yeltsin Will Enter Presidential Election if Democrats Lose in December"]

[FBIS Translated Text] The presidential team will not remain a passive observer of the preelection scramble: The Kremlin is closely monitoring the regrouping of political forces before the parliamentary elections and is trying to make forecasts and even influence this process. Direct evidence of this is the series of meetings between B. Yeltsin and Ye. Gaydar, A. Yakovlev, G. Popov, and V. Lysenko, during which, IZVESTIYA's correspondent has learned, the head of state again tried to resurrect the concept, thought up long ago, of uniting democratic forces in some kind of "soft" alliance.

In a conversation with me presidential aide G. Satarov, whose duties include collaborating with various political parties and movements, cited the curious results of sociological studies carried out on the Presidential Staff's instructions. According to this data, as of today the correlation between the number of supporters of the market and the State Planning Committee is virtually unchanged in the country. But what is changing substantially is people's attitude toward the current authorities, which is becoming increasingly negative.

This trend can be explained, the presidential aide believes. First, during the period of reforms the authorities have often been forced to make unpopular decisions. Second, the mistakes which were made during the changing of the state structure and which hit a mass of people's welfare hard could not fail to affect the public mood.

Nevertheless, Satarov noted, the most serious concern in the Kremlin is being caused by the lack of strong leaders among the main competing parties, which could lead to an unpredictable, random decision by most voters. When asked "For which party will you vote 17 December?", most respondents replied extremely disinterestedly. Thus not one party, not one bloc is currently garnering votes running into double figures. Although, when the question was put in the more specific form of "Will you vote for 'Russia Is Our Home,' Rybkin's center-left bloc, or the Communists?," the results were in favor of Chernomyrdin's bloc. But this data cannot be considered a hard and fast forecast because a considerable proportion of voters usually make their minds up a few days before the voting.

The suspicions that the presidential election will indeed be disrupted on various pretexts are still not subsiding.

In this context Satarov said: "I have not noticed any trace of the preparation of such a scenario in the Kremlin, nor have I received any instructions in this direction even for an analytical study." At the same time the aide admitted that, besides himself, studies on the said subject in other power structures are possible, which he considers natural — many options are always better than one option. Yet in any circumstances such a decision as the cancellation or postponement of the presidential election cannot be made if it contravenes the Constitution.

The president's aide did not evade the direct question: In what circumstances will Yeltsin take or not take part in the 1996 presidential election? He said that, irrespective of the post he occupies, Yeltsin is a man with his own political and human predilections. He is currently concerned by the fragmentation of the democrats and the lack at times of political responsibility in certain parties' leaders. He believes that the squabbling among democrats is premature and intolerable. The reforms have not entered an irreversible phase.

The president's decision to run for a second term or not could be influenced by two main factors — political expediency and purely human motives, for instance tiredness, his family's feelings, and suchlike. Therefore, if after the parliamentary elections a situation develops whereby Yeltsin sees guarantees of stability in the country, everyday sentiments will undoubtedly prevail. But if there is a real threat to the reforms, to the cause to which he has devoted considerable effort, he is unlikely to take account of tiredness or even practical matters.

Although these opinions were not expressed by the president himself, it must be borne in mind that Satarov is one of those people in the president's entourage whom Yeltsin consults in the most difficult situations. Moreover, according to available information, it was the political scientist Satarov who was given the job of researching the prospects in the presidential election. If the preelection campaign with Yeltsin participating really does get off the ground, by all accounts V. Ilyushin will assume responsibility for organizational matters, P. Borodin will assume responsibility for financial affairs, and the apparatuses of Generals A. Korzhakov and M. Barsukov will assume responsibility for questions concerning ties with regions and communications.

Democratic Forces' Lack of Unity Concerns Yeltsin

LD2508170695 Moscow INTERFAX in English
1348 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Russian President Boris Yeltsin is concerned

about the lack of unity among the country's democratic forces on the eve of the pending elections to the State Duma in December, the Russian president's advisor Georgiy Satarov told INTERFAX in an interview today.

Satarov said Yeltsin was holding meetings with the leaders of various democratic movements and parties in order to discuss the problem.

Earlier, Yeltsin met with leader of the Russian Party of Social Democracy Aleksandr N. Yakovlev, Russia's Democratic Choice leader Yegor Gaydar, leader of the Russian Movement of Democratic Reforms Gavrill Popov and Republican Party of Russia leader Vladimir Lysenko.

Satarov said Yeltsin was also going to meet with other democratic leaders, including Yabloko leader Grigoriy Yavlinskiy and leader of the Forward, Russia! movement Boris Fedorov.

Yeltsin Comments on Interior Ministry Meeting

*LD2508165195 Moscow INTERFAX in English
1553 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The Interior Ministry must submit its program of reforming the interior system to the president for confirmation in October, Russian President Boris Yeltsin reported to journalists after a conference with the Interior Ministry leadership.

Yeltsin said he "was satisfied with the concrete and businesslike discussing of the problem on crime fighting." He did not conceal the fact that he sharply criticized the present system of the Interior Ministry. "The Interior Ministry system remained the same as it was 20 years ago despite the fact that market relations are being developed in the country, there appeared new criminals, mafia groups," Yeltsin said.

He expressed the opinion that today interior bodies are not ready for working under new conditions. To this effect he spoke in favor of reorganizing the law enforcement system. Yeltsin also told journalists about his intention to present corresponding proposals to the State Duma, parliament's lower house.

The third group of issues discussed by participants of this conference was a financial one. "Though today the Interior Ministry completely receives everything what was allocated from the budget and though the budget itself does not take into consideration several necessary articles of expenditures. In addition, the budget does not contain the debt for the last year amounting to 800 billion rubles. We must think how to get out of this situation," Yeltsin said.

Further Details on Meeting

*LD2508201095 Moscow NTV in Russian
1500 GMT 25 Aug 95*

[Video report by "Segodnya" correspondent Irina Zaytseva]

[FBIS Translated Text] The president thinks the problem of crime is so acute that it cannot be postponed until another day. Therefore, the head of state went in person to the Interior Ministry today to discuss the most vital issues with members of the internal affairs bodies.

Before the conversation, Yeltsin was shown an exhibition of the latest samples of criminological technology in the service of the law-enforcement bodies. Then a serious discussion began behind closed doors. The president noted that it would be unfair to accuse the law-enforcement bodies of inaction, but insufficient work is being done. Yeltsin noted that often the militia themselves are the law-breakers. The main measures that need to be taken today, the president stressed, are to put up a firm barrier against criminal violence and to guarantee reliable protection of the lives and property of Russian citizens. Every Russian citizen, Yeltsin noted, must at last feel that the state is protecting him.

At the end of the meeting the head of state informed journalists in more detail about what was discussed. Crime solving was one topic of discussion. The president demanded proof that the Interior Ministry is capable of solving premeditated, organized crime, which has recently become a widespread concern for society. Boris Yeltsin also spoke about the need for preventative work with minors, and criticized subdivisions for combating economic crime, as he thinks major financial swindles and abuse are outside their field of vision. The head of state thinks preventing the appearance of illegal weapons is another acute issue. Boris Yeltsin emphasized that the conclusion can be drawn from the above for the need to reform the Interior Ministry system. It has come to a head as it is an out-of-date model. The president said that very many issues have piled up for the legislative bodies.

[Begin recording] [Yeltsin] And to put a simple question. The law says from nought to 10 years' detention for automobile theft. Who decides? The judge. You see, one automobile thief threatens a judge — just try giving me a sentence, you will regret it — so he is released. A more resolute judge gives someone else seven years — for one and the same kind of crime — automobile theft! Now this is what they have done in Uzbekistan. [Yeltsin turns to Interior Minister Kulikov standing to his right] How many years there?

[Kulikov] Up to 15.

[Yeltsin] Fifteen. Fifteen years for automobile theft!
[end recording]

[Zaytseva] Boris Yeltsin thinks issues will be resolved concerning the funding of internal affairs workers and their provision with the very latest technical equipment as much of it is only lying on exhibition stands.

[Begin Yeltsin recording] But these are samples. I openly spoke about this there. You cannot deceive me. They are samples, and I know personally that there at the militia posts, and in the army and the internal troops — I know what they are equipped with. But why? Our defense plants are not working. They are asking for orders. There is not enough funding. [end recording]

[Zaytseva] In addition, the president said that dividing the functions of the municipal police and federal bodies is not a simple issue either.

[Begin recording] [Yeltsin] In Moscow, Luzhkov took, created a municipal police, but they have twice as many automobiles as the federal police. And we....

[Unidentified voice] And money?.

[Yeltsin] And money, yes, they receive twice as much funding as the militiamen of the federal services. So there are many problems. [end recording]

[Zaytseva] Nevertheless, the head of state thinks that many issues can be resolved by joint efforts, and as he is an optimist he will support new Interior Minister Kulikov, who, Yeltsin said, recommended himself by his excellent work in Chechnya.

Irina Zaytseva and Leonid Pridorogin for the NTV TV company. [video shows Yeltsin addressing Interior Ministry staff and later addressing journalists and the exhibition on crime-fighting equipment]

MVD Head Kulikov Viewed

MK2708084695 Moscow KOMMERSANT-DAILY
in Russian 26 Aug 95 p 3

[Report by Ilya Bulavinov: "Boris Yeltsin Addresses Internal Affairs Ministry Board Meeting. Having Straightened Out Relations Between Themselves, the Militiamen Are Going To Take On the Bandits"]

[FBIS Translated Excerpt] "The problem of crime is so acute that it cannot be put off until tomorrow. Crime has grown into a real threat to Russian national security." These are the words with which Boris Yeltsin welcomed members of the Internal Affairs Ministry [MVD] board yesterday. But it seems to me that the purpose of his visit to the militia generals did not limit itself to the need to cheer them up for yet more heroic deeds in their struggle with bandits. Over the month and a half that

has passed since he was appointed minister, Anatoliy Kulikov has demonstrated that he means business. The first, most painful period of reorganizing the MVD — personnel reshuffles — is effectively over. The next in line is structural reform. Yeltsin's appearance at the MVD board meeting for the first time during his term in office was meant to demonstrate to Kulikov's subordinates that the president backs their new chief's undertakings and "the malcontent" just has to make do with the new chief's endeavors.

There is no doubt about the fact that Kulikov needs the president's backing. Right after his appointment he said that the MVD "needs reform" and that he would rely on "sound forces." But no one seems to have expected things on such a scale. Viktor Yerin's first deputies — career militiamen Yevgeniy Abramov (MVD chief of staff) and Mikhail Yegorov (chief of the Main Administration for Organized Crime [GUOP]) — who were also tipped as candidates for the ministerial post after Yerin's dismissal — were removed from office by Kulikov on the very first occasion. They were replaced by Lieutenant General Pavel Golubets, the new minister's fellow countryman (they both hail from Stavropol Kray), who is also the same age as the minister and who, like Kulikov, served all his life in the internal troops; and Vladimir Kolesnikov, who was until then chief of the Main Criminal Investigation Administration [GUUR]. But while everything is more or less clear with the first appointee — Kulikov needs "his" man nearby — the replacement of GUOP chief Yegorov by Kolesnikov promises a drastic redistribution of spheres of influence at the MVD.

Mikhail Yegorov was considered one of the most powerful men in the MVD. Clearly, this did not always please his counterparts from other main administrations. Rumors of a "secret war" between the GUOP and the GUUR reached a climax last May, when Yegorov's men detained a number of high-ranking criminal investigation officers. At the time the rumors were flatly denied by the top persons at the GUOP and the GUUR, but recent events indirectly confirm that the old theories were not groundless. On Monday, the POSTFACTUM news agency disseminated a semi-official "leak" from the MVD, saying that the ministry is in for restructuring — namely, the creation of a criminal militia, which, in particular, is to take over the GUOP. The next day, introducing his deputies, Kulikov officially announced that Vladimir Kolesnikov would be responsible for the criminal militia. A more serious blow to the GUOP can hardly be imagined — not only has the administration lost its once powerful head (no new chief has yet been appointed), but it was effectively advised of its having been subordinated to the chief of a "rival firm." At the

same time, the very first actions of Anatoliy Kulikov clearly demonstrated whom the new minister regards as "sound forces" at the MVD and on whom he will rely. The president backed the minister. [passage omitted]

Now Kulikov should be expected to deliver on the advances made to him. In professional terms, the clampdown on Solntsevo [Moscow district] mobsters may probably be regarded as such. In political terms, Kulikov will evidently come in handy some time later. In principle, such a scenario has already been tested at the Defense Ministry — late last year Grachev was also allowed to get rid of the deputies he disliked so that he could concentrate on Chechnya. It is still a question as to what Kulikov will have to concentrate on, given his ministry's "internal" area of expertise. At the same time, while the general was formerly seen as "Chernomyrdin's man" (in particular, as a key figure for a peaceful settlement in Chechnya), now Yeltsin has shown that, on one hand, he is going to control personally the process of reform at the MVD, and, on the other, that he trusts the minister. By ignoring career militiamen's natural dissatisfaction with the elevation of an "army man," the authorities gave preference to a person committed to military discipline (one order — and he becomes commander of the federal group tasked with dealing a lethal blow to the Chechen rebels; another order — and he becomes an ardent advocate of "a bad peace" with an erstwhile enemy). Having been presented with the need to remove Yerin, a man tested in combat and in everyday business, on the eve of elections, the Kremlin embarked on what was for it the only possible path.

Daily Details Recent Legal Reform Measures

MM2508120795 Moscow KRASNAYA ZVEZDA
in Russian 25 Aug 95 p 1

[Russian Federation President's Press Service report:
"Will We Live in Rule-of-Law State?"]

[FBIS Translated Text] Boris Yeltsin has issued a directive approving the comprehensive plan of measures to implement the Russian Federation president's 6 July 1995 edict no. 673 "on the elaboration of concepts for legal reform in the Russian Federation." This has been done "with a view to ensuring the coordinated activity of the federal organs of state power and also of the federal organs of state power and the organs of state power of the components of the Russian Federation in the practical implementation of legal reform."

The Russian Federation president's staff, the government, and the Russian Academy of Sciences in conjunction with scientific research and legal educational institutions must ensure the necessary conditions for the

timely implementation of measures in accordance with this comprehensive plan. The coordination of work and monitoring of its fulfillment have been assigned to the leaders of the president's staff.

Yeltsin Rejects, Sends Five Laws Back to Duma

LD2608195095 Moscow ITAR-TASS in English
1942 GMT 26 Aug 95

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — Pursuant to part 3 of Article 107 of the Russian Constitution, Russian President Boris Yeltsin has rejected and sent for further consideration the federal law "On Radiation Safety of the Population" which was passed by the State Duma on July 21, 1995 and deemed approved by the Federation Council.

In his letter to State Duma Chairman Ivan Rybkin sent on Saturday, Yeltsin said the law ran contrary to the Constitution, the Russian legislation and the existing juridical practice.

The president also rejected and sent for further consideration the federal law "On State Policy in the Field of Radioactive Waste Treatment" passed by the State Duma on July 21, 1995 and deemed approved by the Federation Council.

The provisions of the law need to be adjusted to meet the requirements set forth in the law of the Russian Federation "On the State Secret" and other legislative acts which are part of the system of the constitutional, civil, administrative and conservation legislation of the Russian Federation, he said in the letter.

President Yeltsin also rejected the federal law "On the Basic Principles of the Legal Status of the Indigenous Small Peoples of Russia" adopted by the State Duma of the Federal Assembly on July 20, 1995.

In his letter to Rybkin the president explained the rejection by the fact that some of the provisions of the law ran counter to the fundamental principles of the constitutional system and the Constitution of the Russian Federation.

The Russian president also rejected the federal law "On State Policy in the Field of Gene Engineering" submitted for signing and promulgation because some of its provisions ran counter to the Russian Constitution and were controversial.

The Russian leader also rejected and sent for further consideration the federal law "On State Statistics Activity in the Russian Federation" adopted by the State Duma on July 20, 1995.

The law has a number of serious flaws which indicate that its appearance is premature, the president said. He

believes that the law needs serious correction in order to remedy all breaches and uncertainties, and to bring it in compliance with other federal laws adopted earlier.

President Yeltsin also sent the Duma Chairman his conclusions concerning the draft federal law "On the Procedure for Servicing Targeted Debt Obligations of the Russian Federation for the Purpose of Ensuring Urgent Socially Motivated Expenditures of the Citizens of the Russian Federation."

Yeltsin Edict Raises Salaries of Public Servants

LD2708162195 Moscow ITAR-TASS in English
1602 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, August 27 (ITAR-TASS) — Russian President Boris Yeltsin has signed a decree to raise the salaries of public servants working in the federal bodies of power by 1.54 times over their April level starting September 1, 1995.

The president also advised local governments to follow suit.

Chubays Announces Retirement From State Duma

LD2608164995 Moscow Radiostantsiya Ekho Moskvy
in Russian 1500 GMT 26 Aug 95

[FBIS Translated Excerpt] The Russia's Democratic Choice Party and the Russian Social Democracy Party have decided to set up a new electoral bloc. The new electoral association's founding conference is now under way. [passage omitted]

The conference speech by Deputy Prime Minister Anatoliy Chubays, who is a deputy in the present State Duma, caused a sensation. He confirmed that he would not be standing for the new parliament, although he said that he would remain a member of the Russia's Democratic Choice Party:

[Begin Chubays recording] I have been and remain a member of Russia's Choice. I will continue to support this party through good times and bad, whether it is close to power or not very close to power. I believe that even in the present difficult situation where we are going through a bad patch, when we are experiencing the negative side of the reforms and are only beginning to sense the positive side, Russia's Choice does have a real chance of getting representation in the State Duma. [end recording]

Rumors of Davydov's Resignation 'Spread'

MK2508120495 Moscow KOMMERSANT-DAILY
in Russian 25 Aug 95 p 2

[Report by Vadim Bardin: "Rumors of Davydov's Resignation. To Resign or Stay On"]

[FBIS Translated Text] In the wake of the arrest of Andrey Dogayev, former deputy minister of foreign economic relations, reported by KOMMERSANT-DAILY yesterday, rumors began to spread around Moscow that Deputy Premier Davydov has resigned.

The Ministry of Foreign Economic Relations [MFER] press service, of course, emphatically but less than convincingly denied it — the main argument being that vacationing in Karlovy Vary, Oleg Davydov simply had no physical possibility to get in touch with Viktor Chernomyrdin, who came back from the Altay only Wednesday night [23 August]. Only one thing in fact follows from the denial: It was compiled without the participation of the deputy premier, which is in itself strange — they in the MFER naturally could have gotten in touch with the minister.

It is not too important whether Davydov prefers a pen over a telephone. Speaking about resignation is not resignation by far. After the arrest of his protege of recent vintage (Andrey Dogayev's brilliant career in the MFER would have been impossible without the minister's patronage), Oleg Davydov is clearly in a quandary. The best way out is an emphatic request to resign. This is a radical way to save face; admitted thereby is responsibility for the subordinate's misdeeds, albeit partially. It is of course an asset to be a deputy premier to parry possible accusations (without a doubt, the investigation is not going to ignore his contacts in the MFER), which makes a request to resign a testament to being unsullied. Besides, if the request to resign is already there, it is up to Viktor Chernomyrdin to decide what to do next. If anything, Oleg Davydov may very well count on support from the premier. First, it is hard now to overestimate the role of foreign economic relations and primarily of exports for the Russian economy, with exports steadily growing. Second, Oleg Davydov gained a firmer foothold in the government relatively recently, actually concentrating in his hands all the levers of control over the foreign economic sphere. He heads not only the MFER but also two government commissions: on tariff regulation and on protection (non-tariff) measures in foreign trade. But there is more to it. Oleg Pavlov, who led Oleg Davydov's secretariat, has been appointed head of the Federal Hard Currency and Export Control Service, which goes to show that the deputy premier's clout with hard currency controllers has grown appreciably.

Thus, a paradoxical conclusion suggests itself: It is not ruled out that Oleg Davydov's confidence in the solidity of his position could be higher if his request to resign is real, and not a phantom.

Zhirinovskiy Statement Made 'To Attract Attention'

*LD2508193895 Moscow INTERFAX in English
1826 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Vladimir Zhirinovskiy, the Liberal Democratic Party of Russia [LDPR] head, who made a public statement Friday that there were plans to hold a military putsch and introduce emergency situation in Russia soon in order to undermine the upcoming parliamentary elections, only wanted "to attract the attention of the press" because he has been sinking into oblivion lately, Sergey Yushenkov, head of the State Duma Defense Committee and member of the Russia's Choice faction, told INTERFAX.

He said that Zhirinovskiy, formally a member of the Defense Committee, "practically did not attend its meetings and judges about the situation in the army by hearsay." Unlike Zhirinovskiy, Yushenkov believes that the Russian army "will never initiate a putsch."

Commenting on Zhirinovskiy's suggestion that an emergency situation may be introduced in Russia if either pro-Dudayev militants or Russian special services conduct a series of simultaneous acts of terrorism, Yushenkov said that "one cannot rule such a possibility on the part of the most radical Chechen militants, but they will not be conducted on such a scale as portrayed by Zhirinovskiy."

According to Yushenkov, the in-your-face style of the statement means that Zhirinovskiy is sure about the stable financial situation of his party. Yushenkov claims that LDPR receives money "from nationalist organizations in Germany, Iraq, Libya and several other states."

'Our Home' Finalizing Platform's Military Section

*MM2508122195 Moscow KRASNAYA ZVEZDA
in Russian 25 Aug 95 p 3*

[Report by Vladimir Yermolin: "'Russia Is Our Home' Favors Greater Prestige for Service in Russian Federation Armed Forces"]

[FBIS Translated Text] The editorial commission of the second congress of the "Russia Is Our Home" sociopolitical movement held a meeting with journalists Thursday [24 August].

Nikolay Podufalov, member of the commission and rector of Krasnoyarsk State University, reported that the criticisms made at the first stage of the congress are being eliminated. The second stage will take place 2 September. No dissenting sentiments have been noted in the course of finalizing the program. All the commission members agree that it is necessary to make an assessment of the mistakes made "which have put our economy in such a difficult position." Here it is necessary to make a clear distinction between the mistakes which Viktor Chernomyrdin inherited from his predecessors and his own errors.

The military section of the program is also being finalized. Here, as Major General Roman Popkovich, retired, head of Krasnogorskiy Rayon Administration, Moscow Oblast, declared, the work on this section is being done with the personal participation of Andrey Kokoshin, Russian Federation first deputy minister of defense, and specialists of the Russian Federation Armed Forces General Staff. Answering a question from KRASNAYA ZVEZDA's correspondent about how the movement intends to campaign among voters who have not received their pay for months (servicemen and Army and Navy employees), Roman Semenovitch made it clear that the critical situation with regard to funding the Armed Forces has been created not just through the government's fault. The situation has in many ways been exacerbated by the ill-considered nature of the laws adopted. "We are preparing a whole package of draft laws," Popkovich said, "including proposals for shaping the federal budget for 1996. Articles concerning the pay of servicemen, the wages of Armed Forces employees, and food supplies must be recorded in the budget as a separate line and be protected. As for the head of government, Viktor Stepanovich assured me in a recent conversation that he puts the problems of funding the Army and the defense industry in first place today." Popkovich said that the idea is being mooted of convening a conference of regiment- and battalion-level commanders in order to define more accurately the "sore points" in the Army today and to outline ways to resolve all the problems that have accumulated.

Maj. Gen. Roman Popkovich, retired, did not rule out the possibility that such a "dirty" ploy as artificially creating difficulties over the payment of wages and the provision of commodities and food or a provocative increase in prices, even including a deliberate worsening of the crime situation in a particular region or in the country as a whole, might be used in respect of the "Russia Is Our Home" movement, which mostly represents the executive branch of power.

"Our Home" regards the Communist Party of the Russian Federation, the Liberal Democratic Party of

Russia, the Agrarians, and the Congress of Russian Communities as its most serious competitors. It is noteworthy that this list does not include Gaydar's "Russia's Choice."

Chernomyrdin: Yeltsin Shows Interest in 'Our Home'

LD2708131195 Moscow INTERFAX in English
1109 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 26 (INTERFAX) — Russian President Boris Yeltsin "normally treats the Russia Is Our Home movement and shows great interest in its problems," Prime Minister Viktor Chernomyrdin, leader of the movement, said in a conversation with journalists in Moscow Saturday.

According to Chernomyrdin, he "regularly and in detail informs Yeltsin about preparation of the pre-election campaign, about the work with regions and about electors' opinion."

Responding to journalists Chernomyrdin refuted any possibility of using populist tactics in the pre-election struggle. In his words, "it would be criminal." "It's high time to put an end to fooling and deceiving Russian citizens. Neither I, nor the movement will resort to this tactics. I shall never promise anything what I shall not do or what I am unable to do."

As Chernomyrdin said, "difficult and tiresome work is ahead for a radical change in the situation in the country and for fastening positive tendencies in Russia's public and economic development."

Moscow Branch of 'Our Home' Movement Set Up

LD2608113895 Moscow ITAR-TASS in English
1126 GMT 26 Aug 95

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — The Moscow regional branch of the All-Russian Russia Is Our Home (NDR) political movement was established by the founding conference which was held in the Russian capital on Saturday.

Russian premier Viktor Chernomyrdin who is a chairman of the NDR Council, described this event as the final stage in the organisational establishment of the movement. "I am glad that Moscow with its huge potential joined the movement," said the premier, summing up the results of the conference.

The Moscow regional branch has become the 84th in the movement. Addressing the conference, Chernomyrdin stressed that implementation of real changes in Russia is the main task of the movement. "The truth of changing

life" is the best canvassing for the NDR, the movement chairman added.

Noting that elections for the NDR are "not a war where all means are good", he resolutely denounced "a hunt for enemies" as well as manifestations of cheap populism during the election campaign.

Moscow Mayor Yuriy Luzhkov voiced support of the Moscow government for social and economic changes suggested by the NDR. He stressed that Russia Is Our Home advocates a creative policy, understandable to people. Therefore, it will be backed by all who want calm and progress.

The founding conference, attended by top executives of the townhall and the government of Moscow, representatives from administrative districts as well as public and creative unions, approved the charter of the NDR regional organisation and elected its council.

Managing director of the AZLK motor factory Yuriy Borodin was elected council chairman. The council also includes first vice-premier of the Moscow government Ernest Bakirov, singer Lyudmila Zykina, Moscow Circus manager Yuriy Nikulin, chairman of the public education department Lyubov Kezina, vice-president of the Culture Academy Nadezhda Kushchenkova, rector of the Moscow Technical University Igor Fedorov, editor-in-chief of the Vechernyaya Moskva newspaper Aleksandr Lisin and president of the Rossstern joint stock society Vladimir Shternfeld.

Forum participants adopted a resolution, saying that, along with co-thinkers from other Russian regions, they advocate spiritual revival and unity of the country, high efficiency of power, law and order, observance of human rights and freedoms and the development of a market economy with simultaneous increase in social protection of population.

Luzhkov Not To Head Moscow Branch

LD2508194295 Moscow INTERFAX in English
1826 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Moscow Mayor Yuriy Luzhkov said he would not head the Russia Is Our Home's Moscow branch or run to the State Duma.

Luzhkov told INTERFAX in an exclusive interview today that the Moscow government had long ago announced its decision to stay beyond politics and would stick to this principle. He said the Moscow government's goals included the development of democracy and market-economy reforms and creative activity.

Luzhkov said that, however, the centrist organizations seeking stability in the country were pursuing the same goals as the Moscow government.

Luzhkov said the Moscow Mayor's Office was not advancing any proposals regarding candidates to the State Duma. "If some of the future deputies are going to defend the interests of Moscow in the State Duma the Moscow government will back these candidates," he said.

The Russia Is Our Home's Moscow branch will hold a conference on Saturday. Luzhkov is to deliver a report. Russian First Deputy Prime Minister Oleg Soskovets is expected to be present at the conference. Russian Prime Minister Viktor Chernomyrdin may also attend the forum, the Russia Is Our Home's press service told INTERFAX.

Chernomyrdin on Moscow Branch

*LD2608135195 Moscow ITAR-TASS World Service
in Russian 0926 GMT 26 Aug 95*

[By Tamara Ivanova]

[FBIS Translated Text] Moscow, 26 August (ITAR-TASS) — "I am very pleased that Moscow with its great potential has joined the Russia Is Our Home movement, Viktor Chernomyrdin, the movement's leader and chairman of the government of the Russian Federation, said today. In an interview he gave to journalists after the founding conference of the Moscow regional branch of the movement, he explained that with Moscow joining the movement a very important period in the organizational formation of Russia Is Our Home was complete.

Chernomyrdin believes the main objective of the movement — to achieve stability in the country's political life — will find support among many people in Russia. Replying to a question about the movement's election strategy, the chairman of the movement's council condemned any populist moves. "I am not going to print empty money, this would be a crime against our people," he said. According to him, short-lived salary increases and the printing of more money is a move which in a very short period of time would lead to a collapse in the economy. "I do not want this popularity, I am against empty promises; our people deserve better," said Viktor Chernomyrdin. He expressed the desire to follow the path of deep and profound reforms.

The leader of the movement confirmed that the list of candidates to deputies from Russia Is Our Home had been almost completed and at present it was being discussed with movement activists in the regions. The head of government said he hoped to see among the candidates many well-known people who "know

concrete ways of transformations." It is expected that the electoral roll of Russia Is Our Home will be finally approved at the all-Russian congress of the movement scheduled for 2-3 September in Moscow.

Chernomyrdin, Belyayev on 'Our Home' Candidates

*LD2708130395 Moscow INTERFAX in English
1217 GMT 27 Aug 95*

[FBIS Transcribed Text] Moscow, Aug 26 (INTERFAX) — Competent people, well known in this nation, will be in the pre-election lists of the Russia Is Our Home movement, Prime Minister Viktor Chernomyrdin, leader of the movement, said in Moscow Saturday responding to INTERFAX.

In his words, at present consultations on the pre-election lists with regions and the movement's activists are going on. The list will contain "serious, well-known people who want, know, and are able to do everything" what the country and Russian citizens need, Chernomyrdin said.

For his part, deputy chairman of the movement Sergey Belyayev noted in an exclusive interview with INTERFAX the same day that the principles of formation of the list of "Chernomyrdin's bloc" radically differs from those which were used in the previous election campaigns. "Leaders of this list should form the core of parliamentary factions, this corresponds to the principle of creation of a professional parliament," he declared.

In Belyayev's words, at present "there exist many names and persons who would like to represent the bloc at the elections and that's why the lists have been not made public yet." "The list will contain people who will professionally and permanently work in the parliament," Belyayev added.

Speaking about the list Belyayev said that "there will be prominent scientists, functionaries from the educational sphere and culture and those who proved their constructiveness and pragmatism, the ability to bring the reforms till the end by their work in the government." He underlined that those members of the government who would possibly be in the movement's election list "will devote themselves exclusively to the pre-election struggle and professional work in the parliament."

Luzhkov Says Moscow Openly Supports 'Our Home'

LD2608103995 Moscow ITAR-TASS in English
1033 GMT 26 Aug 95

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — The Moscow government is interested in the political power in the country being "creative and understandable to people in its actions", Moscow Mayor Yuriy Luzhkov said here on Saturday.

He addressed the founding conference of the Moscow branch of the Russia Is Our Home (NDR) movement.

According to the mayor, the Moscow government openly supports the NDR, since this movement offers a realistic programme for social and economic changes of society on market principles, puts forth clear-cut economic aims and marches the road of democratisation.

That is why the movement is backed by those who want calm, creative work and progress in Russia, Luzhkov stressed.

Ivan Rybkin Outlines Electoral Aspirations

LD2708221695 Moscow Russian Public Television
First Channel Network in Russian
1800 GMT 27 Aug 95

[From the "Sunday" program presented by Aleksandr Galkin]

[FBIS Translated Text] Ivan Rybkin's center-left bloc is not yet able to boast any famous names, apart from General Boris Gromov. Nor do those on the center-left have an independent place in the electoral lineup. Their position seems to be squeezed in between the Communists and the Derzhavniki [supporters of Aleksandr Rutskoy's Derzhava Bloc] on the left and Chernomyrdin's bloc on the right. The State Duma speaker, a mild and courteous man, is now clearly following the advice of experts on how to conduct the electoral campaign and trying to distance himself from the Russia Is Our Home Bloc by making fairly tough criticisms of the government's actions.

[Begin recording] [Galkin] [video shows Galkin speaking to Rybkin in unidentified office] Ivan Petrovich, you have decided on the aims of your bloc and they do, on the whole, sound roughly the same as the aims and goals of the Russia Is Our Home Bloc, the Russia Is Our Home Movement.

[Rybkin] The fact is that whatever they say and whoever says it, the government and the movement founded on its basis bear full responsibility for what is going on in the country today and what is going on now is very

different from what was sketched out in the preliminary templates, in the original drafts. The most frightening thing is that we are beyond the pale of misfortune. Almost 40 percent of Russians have been forgotten. That is the most frightening part. The most frightening thing is that in many respects we have simply driven domestic manufacturers into a corner.

Whatever they say, whoever says it, Aleksandr Petrovich, I refuse to accept that we do not have the resources to look after the welfare of the elderly, people who created great power through their labor. The resources are there.

[Galkin] Where?

[Rybkin] The legislative authority cannot find them on its own. That is the weakness of a legislative authority restricted by the constitution. The executive authority must find the will to make a determined search. I can say that the absolute majority of the people heading our bloc, heading our association, are people who know what hard work in the executive authorities means. These are people with full experience of it.

If you are asking me personally, then it has been my fortune to head workforces both small and large at the level of a large district [rayon] in a town with a population in the hundreds of thousands, in the millions, and at the level of a whole region [oblast], and not so much a region as a super-region [oblastishche] of 111,000 square km and much more besides. That is all well known.

At the end of the day, there are a lot of people straining for power, Aleksandr Petrovich, who do not even know how the orders they give will sound in the cities and across the whole of the country. They sound the exact opposite because they may have lots of purely bookish education. They may have a knowledge of many languages and that's okay, that's fine, but really they should have a knowledge of the lives of their people to play a role in government and determine the lives of the people. All of this can only be done at local level.

[Galkin] You have said that you see domestic manufacturers as your backbone. How then are we to interpret the fact that the Agrarian Party and the trade unions have refused to join your bloc?

[Rybkin] It is very sad that we lack the determination, the will power, the desire to join forces. Today, the industrial and agricultural manufacturers are unfortunately scattered over several [electoral] associations. The trade unions are not just scattered over a small number of associations but over all of the associations. This is the case to varying degrees in various electoral associations

and ours is no exception. I do not want to say that ours is the best but neither is it the worst and our proposal for cooperation with both the United Industrial Party and the Agrarian Party remains extant. We have written in a special clause to say that we are ready to go along with the Agrarian Party of Russia and the Russian United Industrial Party to the extent of setting up a single electoral bloc. Well, what is bad about that? Why do we have to divide the glory? The main thing is to get things done. After all, the election euphoria will pass. The 17th of December will arrive. After the 17th of December the 16th of January 1996 will arrive. The State Duma will assemble for its first sitting. Are we going to have another patchwork quilt? [end recording]

Gaydar, Yakovlev, Chernichenko To Form Bloc

*LD2508192895 Moscow INTERFAX in English
1826 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The elections bloc which will include the Russia's Democratic Choice Party (Yegor Gaydar), Social Justice Party (Aleksandr N. Yakovlev), Peasants' Party (Yuriy Chernichenko), the Military for Democracy movement, the Committee of Russian National Communities and several women's organizations, will most likely be called Russia's Choice Is United Democrats. An informed source in the parliamentary circles told INTERFAX that the bloc's congress is scheduled for Saturday.

The central part of the bloc's draft federal list (12 candidates) is opened by the names of Yegor Gaydar and the renowned human rights activist Sergey Kovalev. The list will be approved by a secret voting at the upcoming congress. It is planned to include retired Colonel General Eduard Vorobev in the central part of the list. Vorobev had to resign from his post of deputy commander of Russia's ground troops after he rejected Defense Minister Pavel Grachev's verbal offer to head the military operation in Chechnya last December.

The central part of the list also contains the names of Russian movie star Lidiya Fedoseyeva-Shukshina, Peasants' Party leader Yuriy Chernichenko and a representative of the Social Justice Party (its leader Aleksandr N. Yakovlev does not intend to run for the State Duma).

The incumbent Duma deputies and members of the Russia's Choice faction Boris Zolotukhin, Aleksandr Pochinok, Viktor Pokhmelnik, Valentin Tatarchuk, Grigoriy Tomchin and others are also on the draft list.

Gaydar Addresses Democratic Choice Party Congress

*LD2708124195 Moscow INTERFAX in English
1220 GMT 27 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 26 (INTERFAX) — Yegor Gaydar, who leads Russia's Democratic Choice, insists that his party was right, when it decided at its 2nd congress not to form an election coalition with Prime Minister Chernomyrdin's Russia Is Our Home movement.

Addressing his party's 3rd congress in Moscow on Saturday, Gaydar said that Russia's Democratic Choice has serious differences with Russia Is Our Home, despite similar attitudes to two issues — financial stabilization and peaceful solution to the crisis in Chechnya.

As Gaydar said, "the platform of Russia Is Our Home implies that the period of liberal reforms is concluded." In the meantime "one has to have a great sense of humor to say so, since today the main problems the people of Russia are concerned about are corruption and organized crime," Gaydar pointed out.

With reference to the economic situation in the country he said: the past few months have shown a lack of coordination in the work of Russia's government and Central Bank, which is evidenced by the present crisis in the country's banking system. Gaydar strongly criticized the Central Bank leadership and said that it did "virtually nothing to reconstruct the banking system."

Ryzhkov Interviewed on Election Campaign

*MM2508141795 Moscow PRAVDA in Russian
25 Aug 95 pp 1-2*

[Interview with Nikolay Ryzhkov by Viktor Trushkov; place and date not given: "'Power to the People!'"]

[FBIS Translated Text] [Trushkov] Nikolay Ivanovich, in our previous talks you noted that the elections to the Duma are only the first part of the election marathon and the presidential elections are the final stage. How do you see your personal place today at the stage of the presidential elections?

[Ryzhkov] When I was engaged in earnest in creating a broad left-wing movement many consultations were held. I constantly suggested first that at the presidential elections the left-wing and left-centrist (only let us not confuse them with Rybkin's bloc which has privatized that name) forces would put forward a single common candidate and second that at this stage — possibly before the Duma elections — the parties belonging to this movement would not name any presidential

candidates and third that some time in December the members of the movement would carry out a survey — taking the election results into account, naturally — and would identify their common candidate. To this day I believe that such a movement will appear.

[Trushkov] Gorbachev is now trying to exploit nostalgia for socialist times. Do you see the former general secretary as a presidential candidate?

[Ryzhkov] I do not think he has any prospects. He might be supported only by that section of the intelligentsia which identifies Gorbachev with glasnost. But as a whole Russia will not forgive him his betrayal.

There is no fundamental difference between Gorbachev and the present rulers. Back in 1987 he suggested essentially the same "shock therapy."

[Trushkov] How so?

[Ryzhkov] In the summer of 1987 the results of the wide-ranging economic experiment initiated under Andropov were being summed up and 12 draft laws were discussed designed to continue the reform. Before submission to the Supreme Soviet they were discussed in the Politburo. For at least two months every Thursday was spent in discussion.

The keenest dispute flared up over the draft law on the state enterprise. Before the Politburo session I visited Gorbachev and acquainted him with the basic provisions of the draft law. I suddenly realized that he had completely different views. The government suggested retaining the state order for capital construction, the commissioning of capacities and housing, and for output comprising the framework of the economy. He said: Why do we need all this? He took the same stance at the Politburo, which divided into two halves. Gorbachev, Yakovlev, Medvedev, and Shevardnadze took one position. One session lasted seven hours. It descended into terrible abuse.

At the time Gorbachev suggested almost the same thing that Yeltsin and Gaydar undertook in 1992. At least that nothing should be left of planning by 1988.

After the seven-hour Politburo meeting I met with Gorbachev again. In the end I said: "If you have definitely decided to destroy everything I shall take no part in it. I shall resign. But before that I shall explain at a plenum why I am going." In general he gave in then. But at the Politburo our proposal for changes in price formation did not get through: They said people would not understand us. I now believe that the government and I should have been more persistent. It was not a case of releasing prices, it was suggested that a substantial amendment be made.

[Trushkov] Nikolay Ivanovich, you have made considerable efforts to create a broad movement uniting all left-wing and left-centrist forces in order to offer powerful resistance to the present regime at the parliamentary and presidential elections. You have already thought up a name for this movement: "Power to the People!" But it was recently announced that a new election bloc had appeared also going to the Duma elections under the name of "power to the people!" You have agreed to head the new bloc. How are we to assess this — is this bloc designed to become a stage on the path to creating a broad left-wing movement or have you agreed to replace the as yet nonexistent movement with what is at least an election bloc?

[Ryzhkov] On returning to big-league politics since the start of this year I have started to engage in the organization of a broad movement of left-wing and left-centrist forces. I have steered not only toward the forthcoming elections, however important they may be. There is a constant need for coordinating the positions and actions of the left-wing opposition. The opposition would be stronger and more effective if it came out with a single platform, with coordinated assessments. That is the first reason for unity.

Another is the forthcoming elections. First the parliamentary elections. It was clear that the Communist Party of the Russian Federation and the Agrarian Party of Russia would go to them independently. One could predict the appearance of a number of other blocs on the left-wing flank. The need arose for a coordinating center. Unfortunately, the need for the left-wing parties' unity was understood by their leaders only with difficulty and slowly. G. Zyuganov and M. Lapshin, in speaking of unity, for a long time had in mind only their own two parties. I frequently told them that the spectrum of the left-wing forces is far broader. I hope they will nonetheless agree with me.

The third reason for my calls for unity is the forthcoming presidential elections. Suppose the left-wing forces win. What then? If it turns out that we cannot unite in the struggle for votes, if we are unable to coordinate our efforts, then where will that ability come from after the elections?

The proposed movement is not simply some kind of mechanical mixture of those who call themselves left-wing. Coincidence of views is required. And primarily a socialist orientation and a recognition of the need for state regulation of a mixed economy. In general for all the differences in details on the main issue these parties and associations should be united. With these criteria we could suit the trade unions, the "Union of Officers," veteran and youth organizations, Glazyev's party, and

the Free Labor Party — I concede entirely that, had our broad movement been formed immediately, the socialist party would not have joined Rybkin's bloc.

Yet we must determine clearly right now where the possible borders lie for those forces with which we could unite, the people with whom there can be no union in principle, and those who are hesitating, for whom we must struggle before the presidential elections. It is clear that for Communists and Agrarian Party members and the "Power to the People!" bloc the undoubted opponents are "Russia Is Our Home," "Russia's Choice," "Yabloko," B. Fedorov's bloc, and so forth. But, as in nature, there are also nuances. Recently I met with Polevanov to find out whose side he is on. And I discovered that 99 percent of his political opponents coincide with those whom I regard as opponents too. That is one more argument in favor of the need for broad coordination.

[Trushkov] But how will you go to the elections? It seems to me that you have the opportunity to become a deputy for a single-seat district quite easily.

[Ryzhkov] And I shall run for a territory. But election to parliament for a territorial district does not give the true all-Russian picture. So through a bloc in which there are no major parties or other very well known organizational structures and in which my name is first on the list I will be able to check voters' attitude toward me. Moreover, through the electoral bloc I should like to show my strategic allies both the potential of the left-wing and left-centrist forces and the fact, obvious to me, that these forces are not restricted only to the Communist Party of the Russian Federation and the Agrarian Party of Russia.

[Trushkov] What is the "Power to the People!" election bloc?

[Ryzhkov] Its founders are S. Baburin's Russian National Union and the mothers' movement "for social justice" headed by Ye. Suvalova. Our bloc is a non-party one. Apart from the founders it includes a number of regional organizations — over 20 of them.

[Trushkov] How do you see the voter who might support the new bloc?

[Ryzhkov] They are above all middle-aged and elderly people although I hope there will also be young people. If we are speaking of today's party allegiance the majority are nonparty members. They include very many CPSU members who have not changed their world outlook and have not betrayed their ideals but for various reasons do not identify themselves with the present communist parties or the Agrarian Party of Russia. There is a very large number of these people and with their families they run into millions. I hope

for a sober approach toward our bloc on the part of the directors' corps. And, of course, on the support of the working class and of part (taking into account the existence of the Agrarian Party of Russia) of the peasants. I think that the majority of the military do not support Zhirinovskiy now.

[Trushkov] Nikolay Ivanovich, how many voters does your bloc hope will support it?

[Ryzhkov] Today it is very hard to answer that question because there is no confidence in society that the results of the vote will be summed up honestly.

[Trushkov] Let us suppose that the count is fair.

[Ryzhkov] I do not suffer from obsession with size in my forecasts, I hope the left-wing forces as a whole will collect slightly over half the votes of the voters who go to the polls. The "Power to the People!" bloc will get 10-15 percent.

[Trushkov] You are ready to propose a program which the left-wing opposition could begin to implement the day after it comes to power? You have already voiced the idea of developing a five-year plan for the restoration of the national economy. Is this idea already being filled in some way?

[Ryzhkov] We are working on this document right now. I hope it will be ready in September-October and we will ask the newspaper PRAVDA to publish it. At the same time it will be our bloc's proposal to all opposition forces.

[Trushkov] A way of submitting the draft five-year plan for nationwide discussion?

[Ryzhkov] Yes. So that after amendments on the basis of proposals from our political allies and the voters we can introduce it together on entering the Duma as a very important draft law.

Of course it will differ substantially from ordinary five-year plans. Both because total tough centralized planning is impossible and unnecessary and because even under the conditions of the present economic collapse some useful elements of a new economic model are being worked out. But we will suggest that the state looks into the country's economic situation in earnest, to the maximum degree. The five-year plan will be a system of guidelines encompassing together the country's entire national economy. Naturally it will pay the most serious attention to social issues, education, health, and culture. And we hope the people will support our program for the restoration of the Fatherland.

Rutskoy Opens Derzhava Congress 26 Aug

LD2608094895 Moscow Radiostantsiya Ekho Moskvy
in Russian 0800 GMT 26 Aug 95

[FBIS Translated Text] The Derzhava social patriotic movement is holding a congress today in the Hotel Kosmos. Its leader Aleksandr Rutskoy said at the opening that the movement's only aim at the elections was to win. Our correspondent has more details of the congress.

[Ilya Pitsyn] In Aleksandr Rutskoy's view, none of the factions which achieved success at the last elections to the State Duma has implemented its pre-election promises. The LDPR [Liberal Democratic Party of Russia] faction does nothing in the State Duma but chatter, Aleksandr Rutskoy believes.

The Derzhava movement is capable of solving practically all the basic problems faced by the people of Russia, according to its leader. Aleksandr Rutskoy said the priority tasks to be solved included supplying the population with housing, clothing, and food. However, these tasks can only be solved if the Derzhava social patriotic movement gains an absolute majority in the Russian State Duma.

Ilya Pitsyn, Ekho Moskvy.

Further on Rutskoy Address

LD2708125795 Moscow INTERFAX in English
1219 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 26 (INTERFAX) — A major and "quite realistic task" of the Great Power socio-patriotic movement is to gain the absolute majority of seats in the State Duma at the upcoming parliamentary elections, said the movement's leader — former vice president Aleksandr Rutskoy — at its 2nd congress held in Moscow on Saturday [26 August].

This is the only way to radically alter the present situation — slow rotting — in the country, Rutskoy declared. According to him, Great Power's membership involves about 1.2 million representatives in 62 areas of Russia. Its top priorities are to ensure housing, food, clothing, education and ecological and personal security for Russian citizens, he said.

In political terms his movement stands for "reinstating Russia in its natural frontiers, which were defined as the borders of the former USSR," Rutskoy said. The reinstatement must be carried out through a free expression of will by all citizens, he stressed. "However should the population of one area or another prefer an independent road, Russia will cooperate with it, as with any other foreign country, up to supplying it with

various resources for convertible currency," Rutskoy noted.

The Great Power leader criticized the activity of the "so-called opposition parties", which in the two years of work in the State Duma failed to keep their election promises. According to Rutskoy, these are the Liberal Democratic Party, the Communist Party, the Democratic Party, and other opposition movements.

When asked if he intends to claim Russia's presidency, Rutskoy said that he is willing to cede this honor to a man who answers to three basic requirements: "devotion to the people, honesty and professionalism."

Participants in the Great Power congress intend to endorse their election list comprising 270 names at a closed-door session on Saturday. The list will be made public when the congress is over.

Congress Meets, Outlines Platform

LD2708135495 Moscow INTERFAX in English
1236 GMT 27 Aug 95

[FBIS Transcribed Text] Moscow, Aug 26 (INTERFAX) — In case it wins the December parliamentary elections, the social-patriotic movement "Derzhava" will "create conditions for the provision of every citizen, from the moment he is born till his dying day, with at least two subsistence minimums," a Derzhava leaflet said. The leaflet was distributed among the delegates to the movement's second convention, held Saturday in Moscow.

"As soon as he is born, every child will have a bank account. He will be allowed to draw money from that account as soon as he turns 18," the leaflet went on.

The Derzhava movement intends to endow Russia with "incomparable military might and see to it that no one looks down his nose on Russians or treats Russian-born residents as second-grade people, interferes into the internal affairs of the Russian Federation, let alone dictates enslaving and humiliating conditions to Russia."

Talking to an INTERFAX reporter after the convention, the leader of the Derzhava movement, Russia's ex-Vice-President Aleksandr Rutskoy praised its results. The convention confirmed the movement's list of parliamentary nominations and planned its electoral campaign.

Rutskoy deputy, lawmaker Viktor Kobelev said, in turn, that "the convention proved that the Derzhava movement had resourceful elements who were capable of scoring results."

In Kobelev's view, most voters will support Derzhava's call for order, justice and decent living conditions, as well as its great power ambitions.

The names of Rutskey, Kobelev and the press secretary of the Metropolitan of St. Petersburg and Ladoga Konstantin Dushenov open Derzhava's federal nominations list.

Communists Form New Electoral Bloc

LD2708195495 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 27 Aug 95

[FBIS Translated Text] An electoral bloc named Communists — Working Russia — For the Soviet Union [Kommunisty — Trudovaya Rossiya — Za Sovetskiy Soyuz] was formed today at the congress of the Russian Communist Workers' Party [RCWP].

[Begin Georgiy Andronnikov recording] Apart from the RCWP itself, the association is made up of the Working Russia Movement, the Russian Communist Party, the Union of Communists, and some other organizations.

In an interview, first secretary of the RCWP Viktor Tyulkin said the parties' minimum task, namely to overcome the five percent barrier [cut off point for seats in the State Duma], would be achieved with ease. He said a broader bloc of left wing forces failed to materialize due to the unconstructive stand by the Communist Party of the Russian Federation and the People's Resistance Union [SNS]. Let me remind you that earlier today, SNS leader Sazhi Umalatova accused Tyulkin of deceit and said she was no longer prepared to play these sort of games. Georgiy Andronnikov, Moscow Ekho. [end recording]

I would like to note that the top three in the RCWP electoral list are Viktor Tyulkin, Viktor Anpilov, and Vladimir Zapolskiy.

Meanwhile, Our Future Movement [Dvizheniye Nashe Budushcheye], made up of the People's Resistance Union and the Russian Patriotic Movement for the Study of Stalin's Legacy [Rossiyskoye Patrioticheskoye Dvizheniye po Izucheniyu Naslediya Stalina], has endorsed its federal list of 12. It is headed by Sazhi Umalatova, Ivan Shashiashvili, and Omar Begov.

Sazhi Umalatova, leader of the SNS, is confident of an outright victory in the elections.

[Begin Umalatova recording] Our main objectives are, of course, the unity of the country, friendship between peoples, protection for every individual, and stability but not the kind of stability now offered by Viktor Chernomyrdin. [words indistinct] to save the people from Yeltsin's antipopular and criminal regime, which has

now brought the people to extreme poverty, humiliation, and insult, and which is now shooting people dead from tanks. [end recording]

Communist Party Defines Election Platform

LD2608133795 Moscow ITAR-TASS in English 1332 GMT 26 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 26 (ITAR-TASS) — The Russian Communist Party held a conference today to define its election platform and nominate candidates to the forthcoming parliamentary elections.

Addressing the congress, leader of the Communist Party Gennadiy Zyuganov declared that "this time, unlike previous elections, the Russian Communist Party has no right to deceive the people, making promises with a touch of populism and which the party cannot keep." Zyuganov said that "at issue is the election platform of the party which is prepared to take responsibility for its participation in power structures."

The document is the programme of the party's activities, covering a period both of parliamentary and presidential elections. Zyuganov said that the communists "aim to implement a minimum programme — to create a government of national salvation and eliminate catastrophic after-effects of reforms."

After parliamentary elections the communists intend "to create the popular-patriotic majority in the state Duma which will seek to return to the population guaranteed social and economic rights to labour, rest, housing, free education and health care, restore the right to public ownership of the land and its resources, achieve the break-up of Belovezh agreements and the create the necessary conditions to gradually restore Russia on a voluntary basis within the boundaries of the former Soviet Union."

It was pointed out that the "communists, in general, come out for abolishing the institute of presidency in Russia, but during a transitional period patriotic forces will use presidential powers to overcome the consequences of coup d'etat." A newly elected president will form a government of people's confidence which will pursue new economic policies, bring minimum wages, pensions and student allowances in line with the real subsistence level, seeking to freeze and, consequently, lower prices.

Zyuganov singled out a clause from his electoral platform that the Communist Party promises no miracles to happen before the elections. Zyuganov intends "to win over to his side at least half of the communist electorate,

overcoming political weariness and indifference of citizens."

Candidates to parliamentary elections will be nominated in the second half of the conference which will be held behind closed doors. Nevertheless, it has been reported that the federal list of candidates from the communist party is led by Zyuganov, he is followed by former deputy chairman of the former Russian parliament Svetlana Goryacheva and Chairman of the Parliamentary Assembly of the Kemerovo region Aman Tuleyev is "number 3" on the party list.

Christian Democrats Form Own Electoral Bloc

LD2708150295 Moscow Radiostantsiya Ekho Moskvy in Russian 1400 GMT 27 Aug 95

[FBIS Translated Text] The Christian Democratic Union [of Russia] is to contest State Duma elections on its own. The decision was taken at the party congress yesterday. A federal electoral bloc named Russia's Christians [Khristiane Rossii] was formed. It is headed by party chairman Vitaliy Savitskiy, chairwoman of the Women's Christian Alliance [Zhenskiy Khristianskiy Alyans], Tatyana Ivanova, and Christian Democratic Union secretary Aleksandr Kiselev.

Pamyat Not To Participate on Party Tickets

LD2508123895 Moscow INTERFAX in English 1028 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The national-patriotic front Pamyat will not take part in the parliamentary elections on party tickets, its leader Dmitriy Vasiliyev, known for his nationalist views, said in an interview in Moscow on Friday.

He said the Pamyat front was registered as a "regional public movement" by the Justice Ministry Wednesday.

Vasiliyev described the system of elections to the State Duma, parliament's lower house, as inadequate and criticized the practice of electing politicians on party tickets. He said that elections on party tickets would merely replace angry people with other angry people.

"We decided to focus ourselves on one point," Vasiliyev said. He declared that he would run in a single-mandate constituency in Moscow.

"The program of our movement includes spiritual, moral, social, cultural and economic revival of the Russian people and all other peoples on the basis of Orthodox Christianity and with respect for the ethnic traits and traditions of our country," Vasiliyev said.

Campaign Against Starodubtsev Said Gaining Momentum

LD2508164995 Moscow INTERFAX in English 1348 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The smear campaign against Vasilii Starodubtsev, the leader of the Agrarian Union of Russia [AUR], that was started by central Tula region authorities under governor Nikolay Sevryugin, is gaining momentum, officials in the AUR ruling body told INTERFAX Friday.

In particular, one of the Russian news agencies alleged Thursday wrongly that Starodubtsev had been dismissed from the chairmanship of the Novomoskovskoye agro-industrial business.

The AUR officials said that Sevryugin visited the Novomoskovskoye twice in August alone. As a result, they say, attempts were made to dismiss Starodubtsev. This came on top of unfavorable articles about him in the local press.

Starodubtsev told INTERFAX by telephone that the rumors of his dismissal "are strongly exaggerated." He doubted that the Novomoskovskoye workers who went to bat for him in 1991 will abandon him today.

Starodubtsev was one of the 1991 coup plotters.

He believes that the objective of the smear campaign launched by Sevryugin, who is also the leader of the Russia Is Our Home electoral bloc, is to have him, Starodubtsev, removed from the political scene in the run-up to the elections.

Starodubtsev, now a member of the Federation Council, the upper house of the Russian parliament, is in the middle of the Agrarian Party of Russia's federal list.

Before he left with Prime Minister Viktor Chernomyrdin for the Kaluga region Friday morning, Agriculture and Food Minister Aleksandr Nazarchuk told INTERFAX that the Russian agrarians will not allow a lynching of Vasilii Starodubtsev.

Nazarchuk said that Starodubtsev had been victimized by first secretaries of the CPSU regional committees and now this habit seems to have been revived by the new Tula authorities.

Nazarchuk believes that this kind of campaign will only harm the regional branch of Russia Is Our Home.

Military, Nuclear & Space Issues

Press Release on Missile Test From North Pole

LD2508142095 Moscow 2x2 Television in Russian
1355 GMT 25 Aug 95

[FBIS Translated Text] An operational launch of a ballistic missile on a specified target was carried out from the North Pole region today by a heavy missile cruiser. The missile warheads hit the battlefield with the specified coordinates, the Russian Navy press center announced.

Army Faces Disruption in Food Supply

LD2708133095 Moscow INTERFAX in English
1236 GMT 27 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 27 (INTERFAX) — Interruptions with food supplies to the Russian army are possible in two-three weeks, Russian Defense Ministry's spokesman Yuriy Mamchur told INTERFAX.

According to him, the defense ministry's debt for the supplied food amounts to 715 billion rubles.

The situation is particularly difficult in the Far Eastern Military District, according to Mamchur, and at the North and Pacific fleets. "The army needs additional money to carry food to the Extreme North and Chukotka," he said.

The spokesman said that the armed forces have eaten up the emergency reserve. According to him, the emergency reserve could be replenished "when the military get the money."

Government Approves Restructuring Plan

LD2508162695 Moscow INTERFAX in English
1348 GMT 25 Aug 95

[FBIS Transcribed Text] ZHUKOVSKIY (MOSCOW REGION), Aug 25 (INTERFAX) — The Russian government approved the plan for restructuring the country's military-industrial complex, presidential aide on military and technical cooperation Boris Kuzyk reported at a press conference held as part of the MAKS-95 international air show in the city of Zhukovskiy near Moscow.

In his words, the restructuring plan is based on the principles of creation of financial-industrial groups (FIG) made up of the country's key defense enterprises. Kuzyk made it clear that financial-industrial groups will be formed from designers and producers of serial defense products, banks, insurance and investment companies and of companies for strategic planning of the FIGs activity.

About two to three such FIGs are expected to be created in 1995, Kuzyk said. One of them will be created with the participation of the major designers and producers of MiG-29 fighters, the MAPO-MiG association. Kuzyk reported that about 20 to 35 aviation enterprises and five banks will be in the composition of this financial-industrial group.

Kuzyk pointed out that defense FIGs may be created with participation of enterprises from CIS states and companies from the "far-abroad" countries in line with the document confirmed by the government. In any case, he noted, these issues are being discussed with Ukraine, Kazakhstan, France, Germany, and the United States. At the same time Kuzyk underlined that the state will strictly control activity of FIGs despite the "flexibility" of the system under introduction.

Security at Nuclear Sites Seen Infringing Rights

MM2508143395 Moscow ROSSIYSKIYE VESTI
in Russian 25 Aug 95 p 1

[Unattributed report under the "In the Corridors of Power" rubric: "Law: The General Prosecutor's Office Against the Ministry of Atomic Energy"]

[FBIS Translated Text] The Russian General Prosecutor's Office considers that the order by the head of the Russian Federation Ministry of Atomic Energy on the procedure for ensuring security on territories where the department's installations are located infringes citizens' constitutional rights. On 24 August Zamoskvoret'skiy Intermunicipal Court will commence a hearing on the Prosecutor's Office ruling that Minister Viktor Mikhaylov's order approving the statute "On the Procedure for Ensuring a Special Regime of the Safe Functioning of Enterprises and Installations Located in Closed Administrative-Territorial Formations" runs counter to the law. In the Prosecutor's Office view, the minister exceeded his powers with his order, since it is the legislature that introduces a special regime in respect of closed administrative-territorial formations. In addition, in violation of administrative legislation the Ministry of Atomic Energy statute allows violators of the procedure for passing through checkpoints at such installations to be detained for 48 hours.

Decree on Priorities in Space Activity Outlined

MM2508130295 Moscow ROSSIYSKAYA GAZETA
in Russian 25 Aug 95 p 6

[Russian Federation Government Decree No. 791 signed by Russian Federation Government Chairman V. Chernomyrdin on 7 August: "On Carrying Out Space Activ-

ity in the Interests of the Russian Federation's Economy, Science, and Security"]

[FBIS Translated Text] With a view to boosting space activity in the Russian Federation and stabilizing the financial and economic situation of enterprises and organizations in the space-rocket sectors of industry, the Russian Federation Government decrees:

1. When carrying out space activity in the next five years the Russian Space Agency, the Russian Federation State Committee for Defense Sectors of Industry, and the Russian Federation Ministry of Defense, in conjunction with other interested federal organs of executive power, are to concentrate their main efforts on the resolution of the most important priority tasks, including:

- monitoring of the environment and of emergency situations and the elimination of their consequences;
- global and high-precision coordinate and time determination [koordinatno-vremennoye obespecheniye] at any point on the Earth and at any moment in time;
- the provision of global communications and television broadcasting throughout the territory of the Russian Federation;
- the study of natural resources;
- the development of orbital manned flights and the development of technologies for the production of new materials and high-purity substances in space;
- the conducting of fundamental scientific research in the sphere of astrophysics, planetology, solar physics, and sun-earth interactions [solnechno-zemnyye svyazi];
- global and continuous monitoring of the fulfillment of international arms reduction treaties;
- the implementation of international agreements governing the creation of the international space station and the study of the planets.

2. The Russian Space Agency, in conjunction with the Russian Academy of Sciences, the Russian Federation Ministry of Defense, and other federal organs of executive power, is to adjust in accordance with the prescribed procedure the Russian Federal Space Program Through the Year 2000 taking account of the funds allocated annually for its implementation.

3. The Russian Space Agency is to be designated the state contracting authority for scientific research and experimental design work conducted under programs for the conversion of organizations and enterprises under its jurisdiction.

The Russian Space Agency, in conjunction with the Russian Federation State Committee for Defense Sectors of Industry, is to specify in accordance with the prescribed procedure conversion programs for enterprises

and organizations under the jurisdiction of the Russian Space Agency.

4. The Russian Space Agency is to formulate and submit to the Russian Federation Government in the fourth quarter of 1995 a program for the introduction of the achievements of cosmonautics and space technology and manufacturing into various sectors of the economy for 1996-1998.

State interests in the sphere of resolving the tasks stipulated by the Russian Federal Space Program Through the Year 2000 are to be preserved when implementing structural transformations of the space-rocket sector of industry.

5. The Russian Federation Ministry of Defense in conjunction with the Russian Space Agency is to formulate and submit to the Russian Federation Government within one month proposals on the procedure and conditions governing the occasional use of areas of Russian Federation territory used as crash sites [rayony padeniya] for the spent sections of carrier rockets.

6. In pursuance of Russian Federation Government Directive No. 351 of 21 March 1994, it is to be laid down that the list of enterprises and organizations for which separate current accounts can be opened is also to be determined by the Russian Space Agency.

7. Assent is to be given to the proposal from the Russian Federation Ministry of Economics, the Russian Federation Ministry of Finance, and the Russian Space Agency that when calculating the extent of depreciation of (amortization payments for) the fixed capital (including unique test-bed facilities) of scientific organizations and enterprises under the jurisdiction of the Russian Space Agency and of chief coordinating organizations and enterprises developing and manufacturing space-rocket equipment, a reduction of 80 percent is to be applied when the actual amortization is computed.

8. In September 1995 the Federal Energy Commission, on the submission of the Russian Space Agency by agreement with the Russian Federation Ministry of Defense, is to examine the list of enterprises and organizations participating in the implementation of the Russian Federal Space Program Through the Year 2000 and the release of fuel and energy resources which are not subject to restriction or reduction.

9. The Russian Federation Ministry of Foreign Affairs, the Russian Federation State Customs Committee, and the Russian Space Agency are to conduct talks and prepare draft intergovernmental agreements on the procedure governing customs formalities and the duty-free import and export of goods in transit within the framework of cooperation in the sphere of space research

and the utilization of space for peaceful purposes with France, the FRG, Italy, and other countries belonging to the European Space Agency, and also with China and Japan, and submit them to the Russian Federation Government in October 1995.

10. The Russian Federation Ministry of Finance is to make provision in draft federal budgets for the allocation of funds to maintain the unique test-bed facilities of main coordinating organizations and enterprises participating in the implementation of the Russian Federal Space Program Through the Year 2000.

Federal Assembly

Duma Budget Committee Yet To See Draft Budget

LD2508194495 Moscow INTERFAX in English
1826 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Despite assertions of representatives of the Russian government the draft of the federal budget for 1996 has not been submitted to the State Duma yet, says a message of the State Duma Committee on Budget, Taxes, Banks, and Finances handed over to INTERFAX Friday.

"At the same time neither the deputies working in the Committee nor members of the committee's apparatus are able to receive any intelligible answer on the reasons of this delay in the government," the message says.

The message also says that head of the Committee Mikhail Zadornov "thinks that such delay is scandalous."

"It's not the first time that the government disrupts the term of consideration of the most important document, the draft federal budget. As a result, there can appear a situation under which discussion of the draft will coincide with the peak of the pre-election campaign. The document risks to turn in an instrument of political struggle and this will not bring any good either to the budget or to the country as a whole," the committee's statement underlines.

Subcommittee Head Blames Crisis on Central Bank

MK2608124695 Moscow SEGODNYA in Russian
26 Aug 95 p 2

[Report by Elmar Murtazayev: "State Duma Deputies Hold the Central Bank Responsible for the Financial Crisis. In the Opinion of Duma Committee Leaders, the Situation on the Interbank Credit Market Is Jeopardizing the Entire Financial System"]

[FBIS Translated Excerpt] Pavel Medvedev, chairman of the Duma Banking Legislation Subcommittee, sees the main reason for the crisis on the interbank credit

market in the Central Bank's policy. In an interview with your SEGODNYA correspondent, he said that, under the present taxation system and current reserve rates, banks are given very little chance to pursue a stable credit policy.

According to the subcommittee head, there have in fact been no serious changes in the bank taxation system over the past two years, despite the fact that the level of inflation in the country — and hence the possibilities for gaining inflationary revenues — has decreased by an order of magnitude over this period. He recalled that, immediately after the Central Bank had decided in May to raise reserve rates, some bankers and economists warned the government and the Central Bank that this could lead to a crisis on the credit market. The Central Bank, however, did not react in any way to their apprehension.

Mr. Medvedev regards the Central Bank's blaming legislators for the fact that the present laws impede the creation of a legislative base for the financial market as "unjustified, to say the least." At the time the Law on the Central Bank was passed, the Central Bank had not submitted any proposals or amendments to the draft law, despite insistent requests by the Budget Committee to do so. This notwithstanding, Mr. Medvedev assessed the latest decisions by the government and the Central Bank to curb the financial crisis as "useful." [passage omitted]

Regional Affairs

Bashkiria President Threatens To Sue Deputy Minister

MK2508132595 Moscow KOMMERSANT-DAILY
in Russian 24 Aug 95 p 3

[Report by own correspondent: "Bashkiria President Threatens To Sue Russian Deputy Prime Minister"]

[FBIS Translated Text] Bashkiria President Murtaza Rakhimov has announced his intention to sue Deputy Prime Minister Sergey Shakhrai, who made, as the Bashkiria leader put it, "unprecedented, groundless, and false" allegations regarding Bashkiria's leadership in his speech at the congress of the "Russia Is Our Home" bloc and in his interview for the VEK newspaper. In particular, according to a statement by the Bashkir president distributed by his press service yesterday, the deputy prime minister's words to the effect that the republic's authorities have provoked ethnic conflicts and back Dudayev's rebels, as well as that Bashkiria plans to secede from Russia, are completely at variance with reality. Bashkiria's leadership asserts that by making such statements Mr. Shakhrai is trying to win popularity on the eve of the parliamentary election.

Further on Dispute

*LD2508131095 Moscow INTERFAX in English
1028 GMT 25 Aug 95*

[FBIS Transcribed Text] UFA, Aug 24 (INTERFAX-EURASIA) — Bashkir President Murtaza Rakhimov requested the federal government to come out with a formal repudiation of what Deputy Prime-Minister Sergey Shakhrai said in an interview with the weekly VYEK, on August 18. According to Shakhrai, "Dudayev units are formed, trained and funded on Bashkir territory with consent from the head of the Bashkir republic."

In a bid to defend his honor, Rakhimov will file a legal suit against Shakhrai, Rakhimov told the UFA branch of the INTERFAX-EURASIA agency Wednesday.

Rakhimov dismisses Shakhrai's words as "utterly ungrounded" and says that "Shakhrai neither substantiated nor will be able to substantiate them."

"As a matter of fact, Rakhimov said, Bashkortostan has been working steadfastly for a political accommodation in Chechnya and has already suffered irreparable losses: 27 Bashkirs were killed as federal troops in Chechnya."

Bashkortostan "has always stood and will stand for political solutions to complicated problems. It has never supported, nor is it supporting, any kind of illegally formed armed units," Rakhimov said.

Yeltsin Relieves Strakhov Following Sverdlovsk Election

*LD2508172195 Moscow ITAR-TASS in English
1612 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 25 (ITAR-TASS) — Russian President Boris Yeltsin signed a decree on Friday to relieve Aleksey Strakhov of his duties as head of the Sverdlovsk regional administration, the presidential press service said.

The decree was signed on the results of the elections of a governor of the Sverdlovsk region.

Governorship Loser Appointed Sverdlovsk Premier

*MM2508145595 Moscow ROSSIYSKIYE VESTI
in Russian 25 Aug 95 p 1*

[Unattributed report under the "In the Corridors of Power" rubric: "Cadres: Sverdlovsk Oblast Government Chairman Appointed"]

[FBIS Translated Text] Valeriy Trushnikov, former first deputy head of Sverdlovsk Oblast Administration, who participated in the fight for the governorship in which he was a first-round casualty, has been appointed chairman of the oblast government. The Sverdlovsk Duma has

given its consent for Eduard Rossel, who was elected oblast governor 20 August, to appoint V. Trushnikov oblast premier.

Rossel Foresees Power-Sharing Treaty With Moscow

*LD2508171695 Moscow INTERFAX in English
1519 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The newly elected governor of the Sverdlovsk region, Eduard Rossel, told INTERFAX in an exclusive interview on Friday that his election victory enabled one of Russia's most industrially developed regions to achieve economic independence from the center.

Rossel said he had met the first presidential aide, Viktor Ilyushin, earlier Friday afternoon. He said President Boris Yeltsin could receive him "next week, maybe next Friday."

Rossel said his meetings with Yeltsin and Prime Minister Viktor Chernomyrdin will produce a power-sharing treaty between the federal authorities and the region. In addition, the region will enjoy wider economic privileges, he added.

"I have never been any kind of separatist," Rossel said. "The question of a Urals republic has been closed, because the new Russian Constitution contains everything necessary for the region's reasonable economic and political independence," he added.

Commenting on the election defeat of his main rival, former Sverdlovsk region governor Aleksei Strakhov nominated by Viktor Chernomyrdin's Our Home Is Russia (OHIR), Rossel said that the OHIR had "no election future."

"Both Russia and a home should be built from the basement, not from the roof," he remarked. Despite an enormous financial support, the OHIR nominee in the Sverdlovsk region lost and this was "symbolic," Rossel concluded.

Rossel Election Seen As 'Anti-Moscow' Precedent

*LD2508171095 Moscow INTERFAX in English
1556 GMT 25 Aug 95*

[INTERFAX-EURASIA news item]

[FBIS Transcribed Text] YEKATERINBURG, Aug 25 (INTERFAX-EURASIA) — Vitaliy Mashkov, the Russian president's representative in the Sverdlovsk region, warns that Eduard Rossel's election as the region's governor may spin off centrifugal tendencies in the whole country.

Russian regions may start "playing the anti-government, anti-Moscow card," Mashkov told INTERFAX-EURASIA.

He said that during the election campaign Rossel proposed a simple recipe of solving the region's problems by gaining independence from Moscow. After Rossel's electoral victory "reactionary forces" will use his slogans at the upcoming presidential and parliamentary elections, said Mashkov. Eventually, it will lead to "weakening the central authority and federalism, strengthening separatism and local elites," he said.

Mashkov also warns that the revision of privatization announced by the new governor will trigger off a "bloody drama."

Urals Banks Advised To Shun 'Shadow Economy'

LD2508170795 Moscow INTERFAX in English
1555 GMT 25 Aug 95

[INTERFAX-EURASIA news item]

[FBIS Transcribed Text] YEKATERINBURG, Aug 25 (INTERFAX-EURASIA) — Urals commercial banks have limited their interbank operations by the region only, a senior official of a major regional bank, who declined to be identified, told INTERFAX-EURASIA on Friday.

According to the source, a psychological factor had an impact on this following the destabilization of Russia's whole banking system.

At the same time, the head of the Sverdlovsk region financial department, Iraida Pilik, regional commercial banks are not facing the threat of bankruptcy if they are not connected with the "shadow economy." Moreover, the Russian government's measures had a positive impact on the region's economy. In particular, for the first time the people's expenses exceeded the incomes in June and July, while the volume of cash hard currency sold to individuals rose by 30%.

Meanwhile, experts point out that the Yekaterinburg cash market has reacted to the developing banking crisis as all banks raised their dollar selling rates by an average of 100 rubles on Thursday and Friday.

Shaymiyev Cited on Tatarstan's Anniversary

MK2508101895 Moscow SEGODNYA in Russian
25 Aug 95 p 3

[Report by Dmitriy Lukashov: "Mintimer Shaymiyev: Tatarstan Never Had Such Independence. Republic

Marks Declaration of Sovereignty Anniversary on 30 August"]

[FBIS Translated Text] On 30 August, Tatarstan marks the fifth anniversary of passing the Declaration of State Sovereignty. "Tatarstan never before had such independence — political and economic — as today. And it is growing more and more every day," said Mr. Shaymiyev in a press conference before the celebrations.

Comparing the living standards in Russia and Tatarstan, Mintimer Shaymiyev confidently declared that "people here live better." This, he feels, is the main result of sovereignty. Whereas the average-wage-to-subsistence-wage ratio in Russia is 1.6, it is 2 in Tatarstan. Besides, "the period of declining living standards of the population here was shorter, because the republic's leadership brought in socially-oriented market changes." The minimum wage in the republic has at almost all times been nearly twice that in Russia on average (now it is 110,000 rubles) and unemployment is half as high.

At the same time Mr. Shaymiyev denied the assumption that Tatarstan owes its economic successes mainly to regular violations of obligations to pay taxes toward the federal budget. Russia's Finance Ministry, in Mintimer Shaymiyev's words, has had no complaints against Tatarstan for a year now. As for the recent conflict surrounding the republic's refusal to pay into the federal budget a sum equal to the Russian Federation Defense Ministry's debt to Tatarstan's military-industrial complex enterprises, this, Mr. Shaymiyev thinks, was a matter of helping a Russian Government that does not know how to pay off "defense" debts.

The relative success of the Tatar economy against the backdrop of the Russian economy's falling apart is also attributed by Mr. Shaymiyev to the fact that the republic's industrial production decline was always lower than in the other regions of Russia. This decline began to slow down in 1994, while 1995 already shows some growth in industrial production.

The republic's agriculture has always been the envy of not only its neighbors, but also of other regions with much better climatic conditions. Last year, Tatarstan set Russia-wide records in the amount of milk, meat, grain, and fodder produced. The republic, its president announced, is self-sufficient in food, and despite the drought it may not be buying food grain this year.

Tatarstan, its president declared, has never depended and does not depend on subsidies. That is to say, the taxes it pays into Russia's budget add up to more than the total funds from the Russian Federation budget for social and other programs on Tatarstan's territory. Mr. Shaymiyev for some reason "did not count in" the fact

that the reconstruction of the Kazan kremlin [citadel], which is the residence of the Republic of Tatarstan president, is 80 percent funded from Russia's budget.

Tatarstan's main advance in a political sense — after passing the declaration on state sovereignty — was, according to Mr. Shaymiyev, the signing on 15 February 1994 of a treaty with the Russian Federation on delimiting powers and jurisdictions. Whereas declarations of sovereignty like the local one were passed by virtually all republic components of the Russian Federation, the treaty is a fundamentally new stage in the developing of relations between Moscow and the regions. It specifies both shared powers and those of Russia and Tatarstan separately. The uniqueness of this document is regarded by the republic's leaders as giving grounds for talking about the creation of "a new model of regulating relationships between Moscow and the regions."

To Mintimer Shaymiyev's mind, Moscow could use this concept also in regard to the other federation components. The amounts of powers could vary with the political and economic situation in each specific region. "Had precisely this pattern been adhered to right from the start in relations between Moscow and Groznyy, there may have been no armed conflict at all," Mintimer Shaymiyev believes.

As for the political situation in Tatarstan itself, the republic's president thinks no party existing there has real strength. Even if there is a union between democrats and nationalists — there are such tendencies — they would not be able to appreciably influence the sociopolitical situation in the republic. The Tatarstan president also predicts defeat in the upcoming elections for "Russia Is Our Home," a member of whose organizing committee he was at the very outset. Mr. Shaymiyev could not say anything about the Ivan Rybkin bloc that is being set up "because Rybkin cannot say anything yet either."

Mr. Shaymiyev assured those who doubt the honesty of last year's elections in Tatarstan that this time around there will be no juggling.

Daily Prints Retraction

MK2608103895 Moscow SEGODNYA in Russian
26 Aug 95 p 2

[SEGODNYA disclaimer: "Mintimer Shaymiyev Did Not Predict Defeat for 'Russia Is Our Home'"]

[FBIS Translated Text] In the article "Mintimer Shaymiyev: Tatarstan Never Had Such Independence" (SEGODNYA No. 160), a regrettable error was made because of a bad connection (the story was phoned in from Kazan). The Tatarstan president does not predict defeat for "Russia Is Our Home" in the upcoming

elections, as was published, but success. The editors apologize to Mr. Shaymiyev and readers of the newspaper.

Return of Ingush Refugees to Ossetia Irreversible

LD2608140995 Moscow ITAR-TASS in English
1327 GMT 26 Aug 95

[By Valeriy Shanayev]

[FBIS Transcribed Text] VLADIKAVKAZ, August 26 (ITAR-TASS) — "Ingush refugees return to North Ossetia gradually. However, this process is irreversible," Eduard Metsayev, North Ossetian Minister for Nationalities and Foreign Affairs, said here on Saturday.

He met Yos Vanhee, managing director of the international Christian humanitarian organisation "Peace and Hope" operating in Russia, Belarus and Ukraine, and its representatives at the government headquarters in Vladikavkaz.

Out of 600 Ingush families which had fled native places, more than 400 have returned to four villages in the Prigorodnyy district, North Ossetia, Metsayev said.

The republican government and parliament are doing their best to implement the Russian president's decrees and the Russian government's resolutions on the return of refugees and displaced persons.

The position of the North Ossetian leadership on this issue is clear: the refugee problem should be settled gradually, since housing, service establishments and utilities have not been restored in the villages. The question on ensuring security of residents has not been settled completely either.

The Ingush side insists on stepping up the process of the refugee return. However, this is an unrealistic position, Metsayev claimed. According to the republican minister, the North Ossetian leadership rejects any pressure aimed at accelerated solution of the refugee problem by force.

Vanhee told ITAR-TASS that an understanding was reached with the North Ossetian government to open a North-Caucasian branch of his organisation in Vladikavkaz. It will render humanitarian aid to refugees, displaced persons, the needy and large families in the region.

Distribution of aid will be purpose-oriented: foodstuffs, prime necessities and medicines will be given only to people in distress.

In the opinion of the Christian organisation leader, positive changes took place in the zone of the Ossetian-Ingush conflict: the return of refugees resumed, and the

dialogue between the North Ossetian and Ingush presidents as well as between representatives from government organisations and non-government associations is improving.

The Caucasus should become a region of peace and accord, but goodwill of people, living here, is necessary for this purpose, the Christian organisation leader stressed.

Krasnodar Kray Fines Illegal Immigrants

954F3187B *Nalchik SEVERNYY KAVKAZ in Russian*
19 Aug 95 p 2

[Article by V. Shaposhnikov, under the "Krasnodar Kray" rubric: "Illegal Immigrants Are Being Thrown Out"]

[FBIS Translated Text] During the past 14 months, 100,000 people who were on the territory of the kray illegally have been fined. The overall amount of the fines has exceeded a billion rubles. Some 6,500 have been expelled from the region and almost a thousand had to be removed by force.

Election Battle Lines Drawn in Omsk Region

MM2808132395 *Moscow ROSSIYSKIYE VESTI in Russian* 25 Aug 95 p 2

[Report by Boris Kurkin as part of "Regional Press Digest" feature: "OMSK VESTNIK: As Is the Liberal Democratic Party of Russia's Wont"]

[FBIS Translated Text] Summer is on the wane. Its chief and most notable political result has undoubtedly been the creation of a regional organization for the Russia Is Our Home movement, which has rallied under its banner not just professionals in the management field but all the healthy, pro-reform forces of the oblast. The "Omskoye Priirtyshye" organization launched multifaceted organizational work in advance of the official start of the election marathon and already has branches in every single rayon.

The exhausting talks between the communists and the trade unions about the need to unite in a bloc have finally come to an end. In addition to the Russian Federation Communist Party oblast committee and the Trade Unions Federation Council newspaper, the Soviet People's Power electoral association has been joined by local branches of the Congress of Russian Communities and the Russian National Union, whose membership is very modest. How durable this bloc proves will depend on the personal ambitions of S. Baburin and other of its leaders.

The oblast's agrarian movement is going into the elections on its own. Thanks to the well-considered strategy

of reforms in the agricultural sector of the economy, which has avoided upheavals or rash decisions, and the effective measures to support the sector the farmers have essentially adopted a neutral stance toward the "Omskoye Priirtyshye." They have not joined Soviet People's Power.

The Liberal Democrats have been up to their usual tricks. On the eve of City Day, large notices bearing the name of their party painted in blue letters appeared on the just-cleaned walls of houses and fences along one of Omsk's central thoroughfares. Having chosen Omsk as the first stage in their 10-day swing through the cities of Siberia, A. Vengerovskiy, deputy chairman of the State Duma from the LDPR [(Liberal Democratic Party of Russia) faction, without bothering much about arguments, stated that "Zhirinovskiy's outriders" had had nothing to do with it. The party supposedly had no money to buy paint, although funds for something of more moment had been found. If the vice speaker is to be believed, the LDPR election campaign will not be a mirror image of the one waged in 1993, but will be equally original and effective. Leaflets, promotional videos, and other audiovisual and printed items are ready and waiting to be used. Even the television facilities which the party owns have been utilized for these purposes, several documentary, musical, video, and light-entertainment promotional films having been shot at them.

To assist the local functionaries the Liberal Democrats decided to nominate A. Zuyev, the youngest deputy in the current Duma, in one of Omsk's electoral districts. However, this figure casts doubt on the vice speaker's unshakable certainty of the coming victory. Despite his tender age, the deputy chairman of one of the parliamentary committees worked in the management of the notorious GMM trust company, which, it is claimed, financed Zhirinovskiy during the last elections. There are around 40,000 swindled investors in the Russkiy Dom Selenga company alone in the oblast. But Omsk's inhabitants have also been taken to the cleaners by Koper clones, Russkaya Nedvizhimost, and local pyramid-based selling operations. Does Vladimir Volfovich's entourage seriously think it can win over the Siberians by palming off a "Mavrodi-type" candidate on them?

Pre-Election Activity Begins in Karachay-Cherkessia

954F3187C *Nalchik SEVERNYY KAVKAZ in Russian*
19 Aug 95 p 5

[Article by T. Mamkhyagova under the "Elections" rubric: "The Population of Karachay-Cherkessia Is Not

Indifferent to the Composition of the Future Russian Parliament"]

[FBIS Translated Text] There has been a certain invigoration of the political life of Karachay-Cherkessia. The reason is the forthcoming elections to the Russian parliament. The "first harbingers" have appeared—learned men are taking out space in newspapers where they intend to present their views on "how to build up Russia as a whole and Karachay-Cherkessia in particular," and public and other mass movements have begun to denounce the authorities.

The trade unions were first. At the presidium of the Karachay-Cherkessia republic trade union council, facts were divulged about the difficult life of the workers of the republic: The state owes them 9.2 billion rubles, and their wages are paid two to three months late. There are organizations where the workers have not been paid since August 1994.

Defenders of workers' rights announced that the number of enterprises shut down in the republic is not 27, as was officially reported, but three times as many, and although among Karachay-Cherkessia's population of 400,000 there are 6,200 registered as unemployed, the real figure is considerably higher.

Trade union leaders are demanding that officials work on paying the workers what they have earned, and if there is a delay they are threatening to "begin to prepare for the next stage of solidarity of collective actions of workers."

Pacific Fleet May Not Receive Electricity

LD2508170095 Moscow INTERFAX in English
1348 GMT 25 Aug 95

[FBIS Transcribed Text] VLADIVOSTOK, Aug 25 (INTERFAX-EURASIA) — Primorye territory Lieutenant-Governor Valentin Dubinin requested the commander of Russia's Pacific Fleet Admiral Igor Khmel'nov to see to it that the Fleet squares its debt with the Primorye power production complex.

If the Fleet fails to do so, "the power production complex will have to cut the supply of electricity to the Fleet facilities and try to save fuel for this coming winter," Dubinin is reported to have said in a memo to Khmel'nov.

According to a knowledgeable Fleet source, the Fleet got only 7% of what it was to have gotten by the end of this month from the federal government. It got no money for the purchase of fuel and the payment of its repairs and communal, including electricity, bills. Its debts total 800 billion rubles.

Kalmyk Declares Ecological State of Emergency

LD2508220095 Moscow Mayak Radio Network
in Russian 2130 GMT 25 Aug 95

[FBIS Translated Text] The Kalmyk Republic is in danger of becoming Europe's first desert if urgent measures are not taken. President Kirsan Ilyumzhinov issued a decree announcing an ecological state of emergency in the republic. The United Nations has helped draw up a national program of action to combat desertification.

Chernomyrdin Visit to Samara Aviation Plant Viewed

954F3045A Samara SAMARSKIYE IZVESTIYA
in Russian 27 Jun 95 pp 1, 2

[Report by Margarita Zhutova: "Viktor Chernomyrdin: 'It Is Difficult in Samara Too, But People Work Here'"]

[FBIS Translated Text] On Friday all Moscow television programs showed Samara. The city merited this honor because of the visit to our province of Viktor Stepanovich Chernomyrdin, head of the Cabinet of Ministers. We already reported on the events surrounding the visit in the Saturday issue of our newspaper. Today we will cover what the prime minister was saying in Samara.

At Aviakor, a conference with the top management of Samara rocket-and aircraft-building enterprises was held behind closed doors. But at the press conference at the end of the day, journalists did ask what the subject of the meeting was. And they received these answers to this question:

V. CHERNOMYRDIN: The result of the closed-door conference at Aviakor will be a set of measures that have a bearing on enterprises in rocket-, aircraft-, and engine-building. A special decision will be drafted regarding the experimental design bureau and the Progress plant, which will indicate which programs have been adopted, and from what source and to what extent they will be financed.

K. TITOV: We looked at aspects of satellite systems development, development of engine-building for aviation. Of course, not all decisions were made right there on the spot. But on some problems conclusions have been reached—taking into account the economic and financing constraints. I think that the results of this conference will be similar to those we had from Viktor Stepanovich Chernomyrdin's visit to Samara a year and a half ago—we managed to get things going on many issues at that time.

Neither aircraft-building nor engine-building nor rocket-building production is dead in Samara. Samara engines for aviation and gas pumping-over stations are better than foreign ones.

V. CHERNOMYRDIN: Let us not be silent about it: New civil aviation is being born in Samara. It is not yet on the assembly floor, only on the design board, but new airplanes are coming out. And they will have success everywhere.

I am very glad that way back, several years ago, I had a chance to talk to Nikolay Dmitriyevich Kuznetsov. Today he turns 84, and I send him my greetings on this joyful day. Well, at the time Nikolay Dmitriyevich proposed to design a gas-pumping motor with a efficiency ratio of 36. Today the average efficiency ratio of such motors is 29 percent, and there are some that still have 22-percent efficiency. At the time I thought of a motor with such an efficiency ratio as fantasy, but now it is already undergoing testing at a gas pipeline station. There are no such motors in the world. And if we boost the utilization system, the efficiency ratio can be increased to 40. A unique result!...

[Text] At the ceremony on the occasion of the 80-year anniversary of Samara Technical University, from which our prime minister graduated (in 1966), Viktor Stepanovich said a lot of warm words about his alma mater and its teaching staff. He also spoke about something that was eagerly awaited by university's staff and students:

"The society we are building, the entire way of life we strive for, are intellectual, science-intensive in essence. A society that does not have a strong class of highly educated people is doomed to fall by the wayside of progress. We are not going to permit it, should not permit it. And in this respect, exhortations and nostalgic moaning are not enough. As early as this year, the share of budget expenditures going to meet the needs of all categories of education, including higher education, will be increased: Instructions have been issued to immediately allocate 300 billion rubles [R] for the preparation of higher school for the new school year. The government intends to increase the budget share even more next year. I am certain that the Federal Assembly will support us in this. Finally, there is in principle the concurrence of the president of Russia to direct some of the funds we will be able to bring in this year above the budget estimates into meeting social needs of our citizens. Including into higher education, improvement of conditions of life of students and teaching staff.

"One of the most important gains of the past years is giving equal opportunities to different social groups

in the area of higher education. We do not intend to go back on this in the future. The government firmly intends to conduct its business in such a way that would let state institutes comprise the core of higher education, giving the bulk of students the opportunity to get free education. There will be no across-the-board commercialization of higher education in Russia.

"The government knows and understands that both the stipends and salaries in colleges are far from adequate. The country already has lost and continues to lose a lot of scientific and teaching cadres. I want to tell you firmly today: The president and the government are constantly keeping an eye on this problem. They are and will be working on solving it. In the conditions of strict budget restrictions, we will do everything possible to ensure a decent standard of living and work for higher school teachers. As to students, I know from my own experience that even in the old times it was impossible to live on a stipend. We found ways around it, earned extra money. And these days too, I am certain, most students are actively adapting to market conditions...."

The prime minister's visit ended with a press conference. We offer an abridged version.

[Question] Political scientists believe that in order to create a stable coalition government, it is necessary that in the upcoming elections to the Federal Assembly the "Chernomyrdin bloc" receive 30 percent, and "Rybkin's bloc"—30 percent. In your opinion, is such an outcome possible?

[Chernomyrdin] It is hardly possible to guess today what it will be: 30 percent... 20 percent.... In the end, the most important part is to attract as many common-sense people as possible.

Nobody will ever benefit from the structures of authority being in a state of confrontation. Look at what is happening today. I do not want to say that the government does not deserve criticism. This is not so. I know of considerably more problems than the State Duma currently brings up. But problems need to be solved—not used to build one's political capital.

I am willing to say this in front of the whole country: We have too many familiar faces in the Duma. The same people who brought the Supreme Soviet to its demise. And it looks as if it makes them sick to see that calm, normal work is beginning in the country. Things have to be stirred up!... But this is futile. Futile, futile!

The president has expressed his opinion. I signed a letter to the State Duma—let it once again express its opinion on confidence in the government. The ministers cannot work in this state of suspense—now you are needed, now you are not—for three months.

Why was it necessary to hype it all now? Elections are coming up in December. Not in three years—in December. The people will make their choice. So what was the reason for the Duma to "push the issue"? We know the people who are behind it. We know what they are worth and their "ability" to work....

Second. Did you hear any real proposals from the initiators of such Duma decisions: What should we do? How should we act? There is none of this. I believe that the most important thing today is to work normally.

On 1 July, the Duma is expected to return to the question of the government. I hope that common sense will prevail. As to "percentages" in the upcoming elections, we hope that Russian citizens have a good idea as to who only talks and who works.

[Question] What is the probability that the president will be able to avoid activating his "constitutional powers"?

[Chernomyrdin] I would want very much to avoid any "activation." I want very much to avoid the conflict. I hope very much that nobody will "disband" anything. That we will be able to come to agreement with factions and committees to work within the constitutional boundaries.

[Question] Is the conflict with the Duma the most important issue for the government right now?

[Chernomyrdin] Of course not. The Chechen problem is our great concern. Actually, this is an all-Russia problem. Here in Samara, too, people came to see me—refugees from Chechnya. There are 100 of them; they live in the Sovremennik movie theater. People have lost their homes, jobs. Do we need this?

For the first time since the beginning of the military conflict, normal talks have begun in Grozny. The Chechen side promised to extradite Basayev, extradite him as a criminal.

After the results are in from the task forces analyzing the events in Budennovsk, we will be taking measures. The country cannot live in a state of waiting to see what else can happen and where. There will be a serious conversation about it at the Security Council....

[Question] At the Samara Technical University, you said that Budennovsk has become the beginning of a new phase. What did you mean?

[Chernomyrdin] I saw in those terrifying days that the country rose in solidarity. It was not Chernomyrdin who found the way out—we all did that, did not let people perish. There would have been a real massacre there. The world shuddered....

Why was it that not a single country in Europe could stop fascism, and why did our Union win the Great Patriotic War? Because we all stood together. And this is what we need now—to stand together, to unite.

[Question] What is your appraisal of the current economic state of the country?

[Chernomyrdin] For the first time over the past few years, we have a positive balance on the whole in the national economy. Whole sectors, not just individual enterprises, are working differently.

The task we are trying to solve first and foremost is financial stabilization. Look what is happening. We set the parameters. Basically, half a year has passed, and we have not deviated from these parameters. We cannot get control of "inflation indicators" only because of inflationary expectations. This, of course, reflects a certain distrust in the government course. The ruble is getting stronger, but everybody says it is not so. That it will collapse any time. And now they are already saying: Why do you not prop up the dollar? Yes, I understand that the population has a lot of foreign currency on hand. But nevertheless, it is not our task to prop up the dollar.

All the preconditions for staying within the budget are there. There are preconditions for adopting next year's budget this year. Can you recall something like this happening before? The Duma could adopt a budget. Could...

[Question] Not too long ago, Samara Governor Konstantin Alekseyevich Titov became your deputy in the sociopolitical movement "Russia Is Our Home." Do you see him in your government?

[Chernomyrdin] I do. And hope he will be there. We need people like him. And the regions need people like him.

I am happy that the Samara governor has national respect. The processes that are taking place in the Samara province—a difficult region, oversaturated with defense enterprises—inspire optimism. Things are difficult here too. But the important part is how these difficulties are being overcome. How problems are approached. Over here, problems get solved. Over here, people work.

Economic Issues

Reportage on Inter-Bank Credit Market 'Crisis'

Chernomyrdin Resolves Situation

LD2508134095 Moscow *ITAR-TASS World Service*
in Russian 1323 GMT 25 Aug 95

[By *ITAR-TASS* correspondent Gennadiy Yezhov]

[*FBIS Translated Text*] Maloyaroslavets, Kaluga Region, 25 Aug (*ITAR-TASS*) — The situation which arose at the Moscow inter-bank credit exchange on Thursday evening (24 August) was today resolved at a conference held by the Russian premier with representatives of the Central and commercial banks.

Prime Minister Viktor Chernomyrdin told a news conference held at the Agrisovgaz association in Maloyaroslavets today, that "certain measures by the government and the Central Bank" have had to be taken to this end.

The Russian premier stressed that evening news bulletins put out by the media somewhat exaggerated the seriousness of the situation. There are no particular problems, and steps of this nature should have been expected on the part of commercial banks in the conditions of financial stabilization, and preparations should have been made for that.

Livshits on CBR Adopting Credit Measures

LD2508115095 Moscow *INTERFAX* in English
1028 GMT 25 Aug 95

[*FBIS Transcribed Text*] MOSCOW, Aug 25 (*INTERFAX/FIA*) — The Central Bank of Russia (CBR) will not be slow to take measures concerning the current inter-bank credit market situation, the Russian president's economics aide Aleksandr Livshits told an exclusive *INTERFAX* interview.

"I would not forecast these measures, but I know they (the CBR - IF) control the situation and are alarmed, as are all of us," said Livshits. "I think that the Association of Russian Banks could take steps other than summarizing information and issuing applications, because it controls the situation and works in direct contact with banks."

The final word is up to the CBR and other banks, since there are things that can be tackled only in the banking circle, said Livshits.

The current crisis, which could be predicted, will result in the merging of banks, said Livshits. "The sooner this process starts the better. It is a normal and natural process that can be encouraged," he said.

In the words of Livshits, the reasons for the current situation on the inter-bank credit market are rooted in the banking sphere itself. Some banks find it difficult to adjust to the recent stable decline of the inflation and stable currency market. "They are simply not accustomed to work in such a situation." However, "such things happen, and there is nothing unexpected about them," said the Presidential Assistant.

As for the situation's influence on depositors, "I can see no grounds for a global panic of individuals. I think that the situation has been localized. It must remain so, and be quietened down," said Livshits.

In his opinion, the announced prolonging of the currency corridor validity till the end of this year "will have a certain positive influence" on the situation on the inter-bank credit market. "Although this is not an absolute influence, but the situation on at least one market, to which banks are closely related, has become certain," he noted.

Paramonova Allocates Credit

LD2508160895 Moscow *Russian Television Network*
in Russian 1300 GMT 25 Aug 95

[From the "Vesti" newscast]

[*FBIS Translated Text*] The situation on the interbank credit market was discussed today at a meeting between Viktor Chernomyrdin and the heads of the country's main banks. Representatives of the Central Bank and the Finance Ministry also took part in the meeting. After the meeting, its participants held a joint news conference.

[Begin recording] [Correspondent S. Milyanchikov] At today's meeting with the prime minister, the results of yesterday's banking crisis were summed up. The Central Bank immediately assessed the situation and took specific measures to bring things back to normal. Some of the commercial banks are already able to breathe a sigh of relief now. The Central Bank bought 600 million rubles [R] worth of short-term state bonds on the open market yesterday. It spent another R1 trillion today, which guaranteed short-term credit facilities for the commercial banks.

[T. Paramonova, acting chairman of the Russian Federation Central Bank, identified by caption] Observations of the situation both yesterday and today show that this situation is not worsening, but improving. This is a result of the operations of the banks on the short-term state bonds market and the liquidity that they gained as a result of selling securities to us on the currency market and also as a result of the credit, for up to seven days, which we provided at the request of the banks for urgent payments, to a total of around R300 billion.

[video shows Paramonova addressing news conference, Chubays seated next to her]

Chubays: Market Returns Recovering

LD2508163695 Moscow ITAR-TASS in English
1608 GMT 25 Aug 95

[By Pavel Yerasov]

[FBIS Transcribed Text] MOSCOW, August 25 (ITAR-TASS) — The crisis which hit the Russian capital market on Thursday and persisted into early Friday is subsiding, Russian First Deputy Prime Minister Anatoliy Chubays told a news conference here today.

The government and the Central Bank of Russia have taken emergency measures to stabilise the market, Chubays said.

The normalisation moves include massive buying-in of government short-term bonds. The Central Bank bought a 600 billion rouble worth of the bonds on Thursday. In addition, the Central Bank lent to several major commercial banks to support their liquidity. The loans were given for seven days at the current refinancing rate, which is an annual 185 per cent.

According to Chubays, the crisis in the inter-bank loan market was caused by "a brief bout of illiquidity [word as received] of several Moscow banks."

He is of the view that the trouble was an excessive response of commercial banks to the recent changes in the fiscal and credit policy of the government.

The austere policy and lower inflation made speculative, primarily currency-handling segments of the capital market less lucrative.

This should prompt the banks that the sole resort lies in their reorientation towards lending to and investment in the real production, Chubays said.

The Russian government is due to meet on Saturday to set up an inter-sectoral commission which is to generate short- and long-term programmes for the restructuring of the banking system.

Chubays said the commission's key programmes would concern insurance of bank deposits, refinement of the Russian arbitration code and change of the bank taxation system.

Chubays Meets Bankers, Ministries

LD2608205395 Moscow Russian Public Television
First Channel Network in Russian
1700 GMT 26 Aug 95

[From the "Vremya" newscast]

[FBIS Translated Text] Today First Deputy Prime Minister Anatoliy Chubays held a meeting with the heads of the Central Bank, Ministry of Finance, Economics Ministry, and association of Russia's banks. Yesterday's sensation is being assessed today as a technical fault, a local accounting crisis, to which the Central Bank had to allocate a credit of 300 billion rubles to eliminate. This sum is nearly equal to the size of the obligatory reserves of one big bank. This is sufficiently clear evidence that there has been no danger to the banking system itself. Such an accounting crisis was fully predictable for many reasons and first of all affected small banks. They make up the main part of Russia's banking system. This is one of the main problems that will take place sooner or later in countries that have a transitional economy.

Central Bank Seen Standing To Gain

MK2508104695 Moscow SEGODNYA in Russian
25 Aug 95 p 1

[Report by Anna Smirnova (REUTER): "The Interbank Market Is on the Verge of Collapse. Dealers Hope For Central Bank Intervention"]

[FBIS Translated Text] The crisis on the interbank market, brought about by a nonpayments chain, a bad liquidity shortage, and the absence of mutual trust among banks could be aggravated if the Central Bank does not intervene. Dealers have said that the situation could get out of hand if the banks fail to close positions — that is, to effect all necessary payments. Demand for overnight credits yesterday reached 1,000 percent [interest rate], but there were no takers.

"If the Central Bank bought hard currency on the interbank market, there would be much less of a problem, because the banks could close, even if at a loss," said Aleksandr Sinyutin from the Delovaya Rossiya bank.

However, according to a Central Bank representative who wished to remain anonymous, commercial banks are themselves to blame for the crisis, which has developed as a result of "the banks' behavior, inadequate for the Central Bank's monetary and credit policies."

"Many banks have provoked this trend themselves — some out of greed, some for other reasons," he said. According to dealers, the risky structure of the banks'

balance is one of the basic reasons for the unfolding crisis. "For foreign banks, the situation where you issue a commodity credit and then have to buy money to make up for it every day [otkupayesh ego kazhdy den] on the interbank credit market, is simply impossible, but here it is a normal thing. Of course, the profit in a risky game is incomparable, but the bank can also go bust overnight," Aleksandr Sinyutin said. At present the situation has reached a peak, because those banks that have money are afraid to loan it, while those banks that need it badly have to look for other sources of rubles, in particular by trying to sell hard currency or withdraw money from the T-treasury market.

However, the banks have virtually no possibility of selling hard currency, because after the crisis on the interbank credit market, currency market activity has in effect been reduced to zero. "Many large banks are quitting not only the interbank credit market but also the currency market. This may lead to a situation where medium-sized and small banks will be left to their own devices, which will inevitably result in mass bankruptcies," said a dealer with a large bank, who asked that his name not be revealed.

According to an anonymous representative of financial circles, half the banks are simply hedging, as a result of which panic grows like a snowball. "The market is in panic, sheer hysteria," he said. According to dealers, the reason was apparently the Central Bank's unwillingness to rectify somehow the situation on the market by buying hard currency from the banks.

[Article is accompanied by unattributed boxed SEGOD-NYA report]

Panic Can Still Be Averted

Banking circles assess the crisis on the interbank credit market as an effect of the country's general economic situation but suppose that it was directly provoked by the settlement system through clearing-cash centers [raschetno-kassovyye tsentry] established by the Central Bank. In this situation the crisis could be extinguished, for instance, through the mutual clearance of liabilities. With the currency system and Central Bank policy being what they are, the crisis could lead to a suspension of payments, and the market would then require a very long time to rehabilitate, if it can ever be rehabilitated, experts maintain.

The Central Bank's passivity in the current situation suggests that the Central Bank can use it, for example, to retake control of budget servicing both ways. The "domino" effect in this event could also affect large banks, and the crisis would take on a all-out character.

Nonetheless, specialists believe that control of the situation has not been lost, but that decisive actions by the Central Bank are necessary, as well as an understanding that the stability of the national currency is ensured not only by the stability of its rate with respect to foreign currencies, but primarily by the normal operation of the payments system.

Central, Commercial Banks Blamed

*MK2608111695 Moscow SEGODNYA in Russian
26 Aug 95 p 1*

[Report by Andrey Grigoryev: "Illiquid Rumors"]

[FBIS Translated Text] Perhaps the most terse and apt description of the reasons for the current financial crisis was given by Viktor Chernomyrdin. According to him, this situation has come about as "a result of the financial stabilization that has begun in the country." One can, of course, argue whether this stabilization has indeed begun, but the prime minister summed up the essence of the problem better than any banker.

The measures taken by the Central Bank yesterday certainly helped normalize the situation, but bankers will hardly agree with Viktor Chernomyrdin's statement that "the crisis situation has already been resolved." It is encouraging that the Central Bank influenced the situation strictly within the limits of civilized monetary policy. The technology of implementing the decisions — in particular, direct intervention in the state bond market — revealed that the Central Bank's arsenal in effect lacks instruments for the "fine" regulation of money markets. To all appearances, this also accounts for the obvious lag on the part of the Central Bank. All measures taken yesterday should have been taken Thursday at the latest. As for statements that the banks did not seek Central Bank credits, they are inconsistent, just as are the complaints about bank reporting practices not accurately reflecting the situation. True, commercial banks are much more to blame for the unpleasant things that have occurred than the Central Bank. Actions by many of them proved absolutely inadequate both to Central Bank policy and to the dominant economic trends.

It will be very interesting and instructive to analyze the concrete causes and effects of the crisis, especially considering that the flurry has led the banks to generate a rather impressive flow of information. At the moment of the actual crisis it hardly produced any serious impact on the behavior of the market makers. This seeming paradox is due to the fact that the rumors circulating in Moscow could hardly have produced any real impact on anything. The crisis was provoked not by rumors, but by the real difficulties faced by

some banks. In a certain respect the rumors turned out to be illiquid [nelikvidny]: Bankers themselves are quite well informed about each other's state of affairs. I admit that statements by some bankers, fleetingly mentioning particular defaulters, are often dictated by bilateral interbank relations, not the objective situation. A calm study of all the "crisis" quotes will help expand understanding of the interrelationships in the banking world.

Curiously, amid this information flow, the press began to be blamed for the crisis. According to INTERFAX, Central Bank Deputy Chairman Tatyana Paramonova expressed the opinion that the situation in the market was provoked by, among other things, the mass media. According to her, publication of information about problems faced by a particular bank in the press results in a situation where "directors of other banks decide to play it safe and so reduce [credit] limits for their long-standing partners."

After such statements, the awareness of one's own might tickles the nerves pleasantly. True, SEGODNYA was already tickled some when the difficulties of Natsionalnyy Kredit, which ranks 17th among Russian banks in terms of the size of its assets, were related almost exclusively to the newspaper's publication. Artemova linked the appearance of critical information about a particular bank to unfair competition. This statement, which unequivocally suggests that the press is corrupt, certainly mars the pleasant emotions. I do not know whether statements by a Central Bank deputy chairman should be seen as a recommendation not to write about particular banks in a critical tone at all, but today we confine ourselves only to citing the opinion of bankers themselves. Maybe, after learning the opinion of some large bank directors, the reader will find out who has finally paid for the irregularities occurring in the financial world.

CBR Blames Hasty Media Reports

*LD2508190395 Moscow INTERFAX in English
1826 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (FIA-INTERFAX) — The Central Bank of Russia (CBR) believes that one of the main reasons which led to the crisis on the market of interbank credits Thursday was the media reports on the financial situation of some major banks, CBR Deputy Chairwoman Tatyana Artemova told INTERFAX's Financial Information Agency today.

Artemova said that "there is no reason today to declare the beginning of a large-scale crisis in the country's banking system."

Artemova said she believed that the directors of major banks were under the influence of hasty media reports

regarding some traders on the interbank market and "decided to insure themselves and cut back the limits for crediting their traditional partners."

Artemova said banks quite often had to experience some temporary financial problems. "If the problem is fanned by the media the flight of clients begins. The limits are closed to the bank on the interbank market and it can no longer do anything though in a calm situation within a short period the situation in the bank may come back to normal. Probably, this is one of the elements of unfair competition," Artemova said.

In the meanwhile, a representative of a leading European bank in Moscow told FIA that information appearing in a number of Russian major economic publications "cannot serve as a source of unbiased and true information regarding, in particular, the situation in the Russian banking system."

"There is an impression that some facts and events covered by the Moscow media are introduced in a tendentious fashion and are unlikely to reflect the real situation on the financial market," the banker said.

CBR Proposes Accord To End Crisis

*LD2508190695 Moscow INTERFAX in English
1826 GMT 25 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Russia's Central Bank on Friday offered entering into an accord with commercial banks to end the current crisis in the country's banking system.

The proposal was made at a meeting between Central Bank officials and executives from 15 of Moscow's leading commercial banks.

According to one of those were present at it, the meeting was proposed by the director of the Central Bank's foreign operations department, Aleksandr Potyomkin.

Potyomkin said that what had caused the situation that took shape in the interbank loan market could be described as a "confidence crisis." The solution might lie in a kind of "gentlemen's agreement" in which the Central Bank and commercial banks would pledge to honor all commitments they had made to their partners. The document would be a "moral code" — a bank who broke it would not be liable to any legal penalty but would compromise its reputation, Potyomkin said.

The commercial bank executives on the whole welcomed the idea but doubted it would be a drastic remedy. They said the liquidity crisis could not be resolved without a certain amount of cash being injected into the banking system.

As the optimum solution they suggested that commercial banks be allowed to use reserves they keep on a compulsory basis at the Central Bank.

Problem Related to Ruble Peg Extension

*MK2608122695 Moscow KOMMERSANT-DAILY
in Russian 26 Aug 95 p 1*

[Report by Vadim Bardin under the "Financial Crisis and Exchange Rate Policy" rubric: "A Currency Corridor With Clanging Doors"]

[FBIS Translated Text] The announcement that the currency corridor will be extended in its present form until the end of 1995 coincided with the most acute crisis on the interbank lending market. The question of whether there is any connection between these two events is answered by KOMMERSANT-DAILY observer Vadim Bardin.

A Calm Fall of 1995

The question is why announce the extension of the ruble corridor — without making any changes to its design, at that — in August, not in late September, for initially it was planned to exist until 1 October.

No reasonable answer can be found outside a linkage with the outbreak of the financial crisis. It would be logical to presume that initially options for changing the currency corridor after 1 October were considered. To all appearances, not only would its ruble walls have become narrower, but its ceiling, too, would have been raised. The thing is that exporters traditionally conclude next year's contracts by year's end, and their current silence would have erupted in loud demands that their ability to operate efficiently be retained, which means the dollar's further climb.

But the crisis has made its own corrections. It has finally become clear that the banks have no funds to play with on the currency market. For this reason the authorities decided to seize the opportunity so as to fulfill an objective that is just as important as their support for exporters — to demonstrate to the entire world their absolute control over the currency exchange rate. Aleksandr Livshits, presidential economic adviser, confirmed this in a peculiar fashion: Commenting on the extension of the currency corridor on Thursday [24 August], when the crisis of the interbank lending market had already reached an acute phase, he predicted "a calm fall on the currency and other financial markets."

Forecasts Are Changing Every Day

On Thursday it seemed as if the most difficult task of the exchange rate policy was to keep up the ruble, not the dollar. But there was no feeling of triumph. The

price of dedollarizing the Russian economy was a crisis in its banking system. And now, in conditions of a ruble crunch, the banks have two paths: either to leave the lending market altogether and go into hibernation (meanwhile, far from all banks can afford to do so without running the risk of going bust), or to find the requisite ruble funds at any price, including by dumping currency on the market. The second option is out of the question: Getting rid of hard currency in conditions of a financial crisis would be pursuing a short-sighted policy. Presented with such a bleak prospect, the banks pinned their hopes on the government and the Central Bank.

On Friday [25 August] they were heard. The government's tight financial policy sprang a leak of 2 trillion rubles, which were poured on the interbank market by the Central Bank and the Finance Ministry. If we add the already announced rise in the wages of budget-financed organizations, seasonal loans to the agro-industrial sector, and the transportation of goods to northern areas, it would seem that an excessively austere economic policy, which is out of place at a stage of depression (which has superseded the general economic crisis) and is undermining the foundation of an economic upswing, has been replaced by a softer one. Former problems — the overheating of inflation and complications in relations with the IMF — are coming back to haunt the government.

Exporters Take a Peep Into the Corridor, But What They See Is a Bar

The banking sector is undoubtedly important for the Russian economy, but exports are at least as important. Clearly, exchange rate stabilization at a time of continuing domestic inflation is drastically diminishing the profitability of export operations. "Noyabrskneftegaz" is a case in point: In July it incurred losses of 30,000-40,000 rubles per tonne from its oil exports. Nonetheless, exports continue, which was confirmed by an express poll conducted by KOMMERSANT-DAILY among representatives of LUKoil, NAFTA-Moskva, Raznoimport (export of aluminum and other nonferrous metals), and Exportles. Why so? The answer could shame the dedollarizers: Despite their efforts, a preference for the dollar is plainly evident. At the same time, any large-scale investment projects — unless they are financed by Western investors or banks — are out of the question. By the estimates of the Union of Oil Exporters, with current oil prices of \$100-114 and an export duty of 20 ECU per tonne, exports will be effective at an exchange rate of 5,500 rubles to the dollar. The alternative is the lowering of the export duty to \$10 per tonne. Thus, an answer to the question of whether

exporters will go on strike will depend on changes in foreign economic and, above all, tariff regulation.

Borovoy Sees Banking System Facing Collapse

LD2508170995 Moscow INTERFAX in English
1519 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — The leader of the Economic Liberty Party, Konstantin Borovoy, has criticized the credit and monetary policy of the Russian government and the Central Bank of Russia (CBR).

Borovoy told a news conference in Moscow on Friday that it is the authorities' clumsy actions had triggered off the crisis on the interbank credit market.

According to Borovoy, the CBR should have lowered its refinancing rate (currently 180% a year — IF note) long ago and taken measures to bring down the ruble rate. Financial policy is a "difficult art, and no one in the power bodies has yet mastered it," he remarked.

In addition, the artificial stabilization of the national currency within the ruble corridor, extended until the end of 1995 on Thursday, had a negative impact on Russia's financial market. Borovoy doubted the sincerity of acting CBR chairwoman Tatyana Paramonova saying on Thursday that the CBR had hard currency reserves of \$10 billion to back the corridor. Borovoy said they were at least 30% less.

Borovoy believes that Russia's banking system is on the brink of collapse which will happen when financially linked banks begin to go bankrupt one by one. The fact that Russian financial institutions lost their basis in the economy, where the number of insolvent enterprises is disastrously growing, is one of the main reasons for the crisis, he added.

Commenting on his party's election campaign, Borovoy said it will cover 12 major cities and regions where over 70% of the electorate is concentrated. He estimated its costs at about \$1.5 million.

Zadornov: Financial System Threatened

LD2508192195 Moscow INTERFAX in English
1826 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 25 (INTERFAX) — Mikhail Zadornov, head of the State Duma Committee on Budget, Taxes, Banks and Finance, said he was "deeply concerned" with the crisis of the interbank credit market.

Zadornov, a renowned Russian economist, believes that the situation on the market may have grave conse-

quences both for many commercial banks and for the Russian financial system as a whole.

The press office of the Duma committee issued a statement on behalf of Zadornov, saying that the situation is dangerous not only because of the "domino effect" when one crisis triggers off another, but also because "the mutual trust, which has been accumulated with such pains and for such a long time and which is essential for the functioning of the banking system, may be lost.

Zadornov believes that the crisis was mainly caused by a series of ill-considered decisions by the government and the Central Bank relating to the regulation of commercial banks' activities and affecting the credit and monetary system as a whole. That is why the government and the Central Bank must take urgent measures to prevent the crisis from turning into a disaster, he said.

Lists of Unreliable Banks Circulated

LD2508184295 Moscow ITAR-TASS in English
1826 GMT 25 Aug 95

[FBIS Transcribed Text] MOSCOW, August 25 (ITAR-TASS) — The chief directorate of the Central Bank of Russia circulated a letter to commercial banks of the Moscow region and to their clients, warning that fake lists of "unreliable banks" was recently circulating in Moscow.

A spokesman for the directorate told BUSINESS-TASS That one of such lists claimed to be a non-existent "addendum to the letter 06-1-13/09-544 of the Central Bank Chief Directorate of 14.8.95".

The Central Bank formally notified in its letter to the banks that even in theory it might not issue such lists as this would contradict to the acting legislation.

That the "addendum" is a concoction is betrayed by its number which does not conform to the numbering system adopted by the Central Bank.

The pseudo document lists banks which are indeed controlled by the Central Bank and which are not, including some bound the bounds of the Moscow region.

The list cites as unreliable Moscow banks with both good standing with the Central Bank and those with objectionable practices.

While the source of the fake lists is obscure, its circulation has been certainly timed with the recent strain in Moscow's market of inter-bank loans.

State Insurance Company Decries Privatization Plan

MK2508135095 Moscow SEGODNYA in Russian
25 Aug 95 p 2

[AFI Report: "Rosgosstrakh Has Come Out Against Public Sale of Shares"]

[FBIS Translated Text] Russia's state insurance company [Rosgosstrakh] has come out against the public sale of its shares, on which the State Committee on the Administration of State Property insists. Rosgosstrakh President Vyacheslav Shakhov described the public auction of its shares as "a rash move that could lead to the collapse of a unique insurance system and harm the company's 60 million customers." According to Mr. Shakhov, the state is unlikely to gain considerable profits from the privatization, since Rosgosstrakh's assets have been valued by the State Committee on the Administration of State Property at 80 billion rubles, whereas the annual payments transferred to the budget by the only state insurer amount to over 82 billion rubles, which constitutes 40 percent of the total payments by all national insurance companies. The company's rash privatization might bring about an intensive outflow of financial resources, which "is bound to result in certain difficulties on the monetary market and trigger an inflationary explosion," Mr. Shakhov pointed out.

Government Assurances on Grain Crop Questioned

MM2508173395 Moscow TRUD in Russian
26 Aug 95 p 1

[Article by Yelena Berezneva under the "Harvest-95" rubric: "Grain, Grain.... It Is Already Obvious That Russia Will Hardly Be Able To Feed Itself With Its Own Grain This Year"]

[FBIS Translated Text] Some people I know in Bryansk Oblast called to say that the grain which has ripened there is very thin: just over 14 quintals per hectare — three-four quintals less than last year. There was no fertilizer and the ground let them down.

Meanwhile Krasnodar was counting on 30 quintals per hectare in some places but will struggle to get 17. And that is the hopper weight. What is hopper weight? It is everything that gets picked up by the combine. And you can count on 8-10 percent or even more being rubbish and waste.

At the beginning of the fourth week of August Russian grain farmers, having harvested half the grain crop area,

had threshed 38.5 million tonnes of grain, according to State Statistics Committee data. Hopper weight again. If you take away the waste you get a figure of less than 35 million tonnes of grain. Remember that Vice Premier A. Zaveryukha promised us at the end of July that this year the grain crop would reach almost 80 million tonnes. Shortly after that he was promising us 70 million. Visiting Altay Kray, where the grain is ripe, both A. Zaveryukha and Agriculture Minister A. Nazarchuk stated that Siberia is virtually capable of feeding the whole of Russia. It could provide an additional 16-17 million tonnes of grain, which would not have to be bought abroad. Yet the workload per combine in Altay this year is in excess of 500 hectares. That is, crop losses are inevitable: It will be manifestly impossible to gather a full grain crop in time with such resources.

Back in May-June the government promised Altay Kray an advance against grain supplies for the federal stock. But of the promised 200 billion rubles not even half was forthcoming. This is the reason for the acute shortage of equipment and its low state of readiness for the main campaign of the year. Many experts estimate that it will hardly prove possible to harvest more than 55 million tonnes of grain in Russia as a whole.

M. Abdulbasirov, first deputy minister of agriculture and general director of the Federal Food Corporation, told journalists that apparently top-up purchases of grain will nevertheless have to be made abroad.

As for the federal food stock (which means grain for Moscow, St. Petersburg, Far North regions, the Army, and the Ministry of Emergencies and Natural Disasters), it is planned to purchase 9.5 million tonnes to go there. But as yet only 500,000 tonnes have been purchased. The government has no money. It is hoping that commercial banks will provide the money against a Finance Ministry guarantee. Whether they will, and how much, is the question. Meanwhile commercial structures are indeed buying up grain from the peasants, which promises us a winter of rising prices for a prime necessity.

Here how can we not recall the Law "On Purchases and Supplies of Agricultural Produce for State Needs"? This prescribes that the state is obliged to buy grain in full quantity from the farmers. To advance at least 50 percent of the value of the volume of state supplies stipulated in contracts. There would seem to be a law. But who in our country is fulfilling laws this year?

International Affairs

Envoy Delivers Peace Proposals to Serbian Leaders

LD2508203395 Kiev Radio Ukraine World Service
in Ukrainian 1900 GMT 25 Aug 95

[FBIS Translated Text] Volodymyr Khandohiy, Ukrainian deputy minister of foreign affairs, handed Serbian Prime Minister Mirko Marjanovic a letter from President Leonid Kuchma to Serbian President Slobodan Milosevic outlining proposals on the settlement of the Yugoslav crisis and Ukraine's increased involvement in the process. Khandohiy led a government delegation at Ukrainian-Yugoslav political consultations in Belgrade.

During the meeting with the Ukrainian delegation, Marjanovic praised Ukraine's unbiased position in the Yugoslav peace process. He said the Federal Republic of Yugoslavia welcomed Ukraine's involvement in the search for a reconciliation formula acceptable to all parties. Marjanovic spoke in favor of stepping up cooperation between the two countries aimed at the lifting of UN economic sanctions against the FRY, and confirmed his country's loyalty to the course of peaceful negotiations.

The Ukrainian delegation also met Nikola Cicanovic, FRY deputy minister of foreign affairs [name and title as received]. The officials discussed a wide range of issues concerning proposals on Ukraine's participation in the settlement of the Yugoslav crisis and cooperation within international organizations. The Ukrainian side said it will continue its efforts within the United Nations to facilitate the lifting of economic sanctions against federal Yugoslavia, which it considers no longer effective.

Defense Minister Views Cooperation With Islamabad

LD2508165895 Moscow INTERFAX in English
1348 GMT 25 Aug 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Aug 28 (Interfax-Ukraine) — Development of Ukrainian-Pakistani relations will help to realize the potential of Ukrainian enterprises, including science and machinery construction, Ukraine's Defense Minister Valeriy Shmarov said this in an interview with Interfax-Ukraine and the Nova Mova TV company on conclusion of his visit to Pakistan.

In his words, Pakistan can become "a stronghold for further mastering the Asian market" for Ukraine.

In the course of this visit to Islamabad "we have concretely discussed several directions in our cooperation

for creating the Pakistani Air Force, aviation, and supplies of equipment for land forces," Shmarov said. At the same time he pointed out that "it is premature to speak about concrete successes but we have found mutual understanding at this stage."

Shmarov noted that earlier, about 40% of Ukraine's industrial capacities fulfilled orders of the military-industrial complex due to this, he thinks, it is necessary to expand military production export.

Shmarov reassured that Ukraine is not going "to supply arms to countries who are aggressors and to those whose strengthening can create an imbalance of forces in the regions."

Aircraft-Building Corporation Set Up With Russia

LD2708104695 Kiev Radio Ukraine World Service
in Ukrainian 1000 GMT 27 Aug 95

[FBIS Translated Text] Ukraine and Russia have reached a fundamental agreement to set up a financial and industrial group, the Antonov-Tupolev corporation. It is envisaged that the group will include the Antonov aircraft design complex, the Tupolev design bureau, aircraft-building plants in Kiev and Kharkov, the Aviakor plant in Samara and four or five Ukrainian and Russian banks.

Mutual deliveries will be arranged and other forms of coordination and cooperation established within the framework of the financial and industrial group. Its founders believe that the cooperation will be beneficial because it will enable Ukraine and Russia to use their aircraft production capacities more effectively.

Turkmen Oil Ministry Proposes Debt Repayment Plan

WS2808113295 Kiev UKRINFORM in English
0710 GMT 28 Aug 95

[From the "Business News Weekly" feature No. 34, 21-27 Aug 95]

[FBIS Transcribed Text] Turkmenistan's Ministry for Oil and Gas has asked Ukrresursy, the Ukrainian state-owned joint-stock company responsible for settling Ukraine's debt for Turkmen natural gas deliveries, to offset the payment due for the services provided by the Ukrainian construction company, Ukgazstroy, with Ukraine's debts for 1995 Turkmen natural gas deliveries.

Turkmenistan has thus agreed to offset \$23,712,000 out of Ukraine's total debt which, according to figures from the Ukrainian State committee for Oil, Gas, and Oil and Gas Industry [Derzhnaftohazprom], amounted to \$52

million as of August 1. The above-mentioned sum may be offset in the third quarter of this year.

In May 1995, Ukgazstroy signed a contract with the Turkmen Ministry for Oil and Gas for design, construction, and supply of equipment for Turkmenistan's Nazandzhik-Kyzyl-Arvat natural gas pipeline.

In addition, the possibility of printing textbooks for Turkmenistan at the Kharkov printing factory is being discussed. Ukrresursy will pay for the order, which is expected to be worth 500 billion karbovantsi.

In accordance with the provisions of an intergovernmental agreement, Ukrresursy is to arrange payment for 11 billion cubic meters of Turkmen natural gas.

Turkmenistan's total export quota to Ukraine is 25 billion cubic meters, including 14 billion cubic meters exported by non-state-owned firms.

National Affairs

Udoenko Discusses Foreign Ministry Activities

AU2708174795 Kiev URYADOVYY KURYER
in Ukrainian 22 Aug 95 p 4

[Interview with Hennadiy Yosypovych Udoenko, minister of foreign affairs, by Oleh Oliynyk; place and date not given: "Persistence and Pragmatism Characterize Ukraine's External Policy Today"]

[FBIS Translated Text] [Oliynyk] Many people thought that your coming to the helm of Ukrainian diplomacy would lead to fast changes in Ukraine's external policy. However, just like a year or two ago, Ukraine remains a nonaligned state that strives to occupy its place in the European world community and does not want to be overshadowed by other states. Its external policy is predictable. Please tell us to what extent it is generally possible to keep to this neutral and balanced course when, behind it, there is an ailing economy and a politically divided society?

[Udoenko] One can argue the formulation of your question. Indeed, we have continued our state's external political course that was embarked upon with the proclamation of our independence, and there is a continuity here. At the same time, new accents have been made in the external policy, which has become more vigorous and dynamic.

Ukraine has dynamically emerged in the international arena as a result of signing the Nuclear Nonproliferation Treaty. That was a new and radical turn in Ukraine's external policy that enabled us to emerge from the dead alley. The implementation of economic reforms by President L. Kuchma has also contributed to making our external political course more dynamic.

[Oliynyk] Yet there were expectations of a political rapprochement with Russia.

[Udoenko] Ukraine's status as a neutral and nonaligned state was adopted in the 1990 Declaration of Ukrainian State Independence. The president has unswervingly adhered to this course. As is known, we proclaimed normalization and intensification of our relations with Russia as number one priority. I could cite many examples of our efforts in this direction. Of course, here, Ukraine expects a two-way movement. We proceed from the conviction that Russia has to deal with Ukraine as an independent state. I may recall that, at the session of heads of state of the CIS countries, when discussing collective security issues, B. Yeltsin, who presided there, reminded the participants in the meeting that Ukraine was not a signatory to the treaty. Everybody shows understanding of this and nobody puts pressure upon us to give up our nonaligned status. Incidentally, those who advocate NATO's expansion do not put pressure upon us either. Besides, we ourselves do not even hypothetically raise this issue. However, we must foresee what happens after five or six NATO member countries appear at our western borders and Ukraine finds itself sandwiched between two blocs.... President Kuchma wants the question of NATO expansion resolved in an evolutionary manner, so that interests of Ukraine's state security would be taken into account.

[Oliynyk] After the mottoes of the first period of our independence — "Let us look westward!" — it has now become very common to hear that nobody in the West looks forward to meeting us. What is, in your opinion, the attitude to us in the international community and what position is reserved for us there? How should one perceive B. Clinton's exclamation "Glory to Ukraine!" during his speech near the building of Kiev University: Was that simply a diplomatic gesture or a reminder to us, Ukrainians, that we have our own state and that we need to love and cherish it and everything else will take care of itself?

[Udoenko] Over the year that has passed since the election of L. Kuchma as president, there has been a breakthrough in our state's relations with the Western world. Let us analyze the geography of the president's foreign trips — it was not chosen at random. We set ourselves a goal to intensify our relations with G-7 countries. The first visit was to Canada, then to the United States, Japan, Italy, and Germany. We invited British Prime Minister J. Major to visit us, and L. Kuchma, in turn, has been invited to visit Great Britain.

Thus, we have established active ties with the most influential Western countries. We have been recognized, and talks are conducted with us directly. The West

regards Ukraine to be an important factor of political stability on the European Continent and as an influential power. I would particularly like to stress that there has been a change in the United States' attitude toward Ukraine — this is a very positive development. That is why we were very pleased with B. Clinton's slogan "Glory to Ukraine!" (we would be even more pleased to hear it from B. Yeltsin!)

[Oliynyk] Ukraine is one of the last European states to join the Council of Europe [CE]. Is there some theatrics here and political intrigues or does everything proceed normally and we simply could not, for certain reasons, join it earlier?

[Udovenko] All of these; Ukraine applied for membership of the CE back in 1992. Membership of this prestigious organization means that we are recognized as a democratic state, where basic human rights and freedoms are ensured. The procedure of being admitted to the CE is quite complicated and involves thorough analysis of the situation in the candidate country. Miguel Martinez, chairman of the CE Parliamentary Assembly; Daniel Tarschys, CE secretary general; Stanislav Daskalov, Bulgarian [former] foreign minister; and some other high-ranking CE representatives visited Ukraine.

It must be said that Ukraine's political, in particular, parliamentary circles have recently developed a taste for our state's EC membership. I remember my work as ambassador to Poland, when some Polish parliamentarians told me that they did not feel that their Ukrainian colleagues were interested in joining European structures. Things have now changed. I could mention many political figures, primarily, B. Oliynyk, Ye. Marmazov, and S. Holovatyy who permanently cooperate with various CE bodies and represent Ukrainian interests there.

Recently, our president, Supreme Council chairman, and prime minister signed a letter answering a series of questions that had been sent to Ukraine by the CE: They study our legislation and state of readiness for signing the European Convention on Human Rights and for recognizing the European Court jurisdiction.

Unfortunately, there exists an opinion in certain European political circles that Ukraine's joining the CE may be linked with Russia's membership. Surprisingly, such "linkage" has been given more stress against the background of the events in Chechnya when consideration of Russia's application was postponed. We are against any such "linkages." The question of every state must be considered on an individual basis. The president once said that Ukraine does not want to be the last state admitted to the CE.

On 9 September, the Legal Committee of the CE will hold a session. Two committees — political and the one in charge of relations with countries that are not CE members — have given a positive conclusion about our prospective membership. However, there are some forces in the CE Legal Committee that want this act to be postponed until a later date.

[Oliynyk] One hears from foreign collocutors that Ukrainian representatives lack the lobbying ability and the knowledge of foreign languages, and that this greatly hampers their work.

[Udovenko] They are right. Well, we have been conducting our own policy for just four years, and before that, everything is known to have been decided in Moscow. Even if somebody from Ukraine was included in a delegation going abroad, he was not allowed to have any additional contacts — the head of the delegation was in charge of everything. Ukraine had no contacts with the West and was isolated from the rest of the world in political, scientific, and humanitarian aspects. I can now discern entirely new features in the young generation of Ukrainian politicians: They know languages and do not suffer from any complexes when mixing with people abroad. In short, the situation here is changing.

[Oliynyk] Ukraine has come out with the initiative of acting as a mediator in the Balkan conflict. However, the conflicting sides are in no hurry to make use of our services. Perhaps, it is not yet the time for Ukraine to play an active role in major events?

[Udovenko] It must be admitted that we were somewhat too late with our initiative. A contact group works in the Balkan Region, and Moscow advances its proposals. Nevertheless, Ukraine's unprejudiced and impartial attitude does make an impression. In the Balkans, we do not have what may be called geopolitical interests, and we advocate a political resolution to the conflict without resorting to force. Ukraine is ready to hold negotiations in Kiev at any level: experts, ministers, or presidents. My deputy V. Khandohiy plans to visit Belgrade and Zagreb and once again discuss our proposals with all sides. Besides, we turned to C. Bildt [European Union representative in former Yugoslavia] with a proposal to appoint a Ukrainian representative to work in his group.

Ukraine comes out consistently for lifting sanctions against Yugoslavia. Not only because Ukraine itself suffers great losses, but also because, in our opinion, the sanctions have already exhausted themselves and have become counterproductive. At the same time, the decision by the Russian State Duma on unilaterally lifting the embargo is, in all likelihood, just a propaganda

move. It is quite problematic to implement such a decision.

[Oliynyk] A certain differentiation is taking shape among our Western neighbors. Romania makes territorial claims upon Ukraine, Hungary intends to introduce visas requirement for Ukrainian visitors, but our relations with Poland seem to be developing in a stable manner. (Perhaps, precisely because you worked as an ambassador to that country). Well, generally speaking, how would you assess the state of Ukraine's relations with the states in the region?

[Udovenko] One of the CE requirements for all of its member states is to have good relations with neighbors. Clearly, this rule also applies to Ukraine's Western neighbors. In my opinion, there is presently no reason to speak about some territorial claims on the part of the Romanian state. There are some political forces that raise this issue, but the state power acts in a balanced manner. Talks on border issues are under way with Romania. Ukraine is a successor to the Soviet Union, and there existed an agreement between Romania and the USSR, and we expect that our neighbors will adhere to previous accords.

An official visit to Moldova by Prime Minister Ye. Marchuk is being prepared. We hope that, during his visit, problems that still exist between our states will be settled. These problems involve the border issue, and a corresponding interstate agreement must be concluded. A part of the Moldovan railroad runs across Ukraine. Ukrainian citizens passing through that territory are subjected to inspection by Moldovan policemen, customs officers, and so on. A special agreement must be concluded in connection with the withdrawal of the 14th [Russian] Army from Moldova, especially in what concerns explosive substances. However, this rather concerns Ukrainian-Russian relations. Our proposals are being studied in Moscow.

It is true that Hungary intends to introduce visas requirement for citizens of CIS countries. Here, there is something to think about. From the beginning of the year, 8 million persons, or 1 million a month, have crossed Ukraine's western borders. Hungary strives to somehow protect itself from such masses of visitors, but a question arises whether this conforms to Hungary's international commitments or to the level of Ukrainian-Hungarian relations. I think that we must speak about strengthening border control on both sides. We know how our people sometimes go abroad: Without sufficient money and without lodging. Of course, nobody wants us in the West in this shape.

We are now preparing a scheduled working meeting between the prime ministers of Poland and Ukraine.

In general, there is a very extensive exchange of delegations at various levels with that country. Even though we sometimes have to deal with certain anti-Ukrainian manifestations at a public level, like was recently the case in Przemyśl.

We also have fruitful and active contacts with Slovakia, the Czech Republic, and Bulgaria.

[Oliynyk] Quite a number of trade and economic accords are concluded as a result of external political contacts. However, not infrequently, these documents are just shelved. What prevents them from being implemented?

[Udovenko] Right, this is a disturbing question for us. We prepare reports on results of every foreign trip, and the president or the Cabinet of Ministers issue directives for corresponding structures. Control over the fulfillment of accords is a priority task for our foreign missions, and I instruct officials at our embassies to take care of this.

As you know, the newly created Presidential Control Service started its activity with checking the activity of the Ministry of Foreign Affairs to see how it fulfills interstate accords. A meticulous analysis was made, and I will take appropriate measures to deal with certain facts of bureaucratic red tape here (unfortunately, there are such facts). There is an intention to create our own control structure at the Foreign Ministry. The question of executive discipline is a permanent topic at our conferences with the ministry's leading personnel.

[Oliynyk] Hennadiy Yosypovych, I would also like to touch upon the problem of material and technological provision for the activity of our diplomatic institutions.

[Udovenko] My predecessor at the ministerial post did enormous work on creating an extensive network of diplomatic institutions. At present, we have more than 50 of them. This was done over a relatively short period of time and in conditions of all sort of restrictions — with regard to personnel, finance, and material resources. During the times of the Ukrainian SSR, approximately 100 Ukrainian diplomats worked within the Ministry of Foreign Affairs apparatus and 40 — abroad. We now have more than 500 persons within the apparatus and more than 600 — abroad. From the USSR, we have not inherited any premises, and Russia only offers something for rent.

We already have our own premises in 11 countries. The president and the government realize the importance of developing our diplomatic network, and we are grateful to them for this, even though we know what [poor] possibilities our state has.

[Oliynyk] What is the situation of our diplomatic personnel in these conditions? Can you attract a good specialist with a high salary?

[Udoenko] No, I can't. This year, not a single graduate of the International Relations Institute applied to the Foreign Ministry for work. Young people with knowledge of foreign languages and foreign economy look for more decent salaries than we can offer. Here, we are noncompetitive. Last year, the fluctuation of our personnel constituted up to 15 percent a month. At present, the situation has improved somewhat. Even though I understand that the problem of financial provision is very topical for all state employees. In any case, we represent the state the way it is.

[Oliynyk] Hennadiy Yosypovych, when I perused your biography, I was surprised to find out that the career diplomat had started his labor life as a collective farm chairman.

[Udoenko] True, after graduating from the international relations department, I requested to be sent to work in agriculture. Selection was very strict at that time, and I had nothing to do with village life. However, I was entrusted with the post of chairman of the Dzerzhynskiy Collective Farm in Skvyra Rayon of Kiev Oblast. You can't make things worse than they are, I was told. I worked there for a little longer than three years, and then was admitted to the post-graduate course at the Institute of Economics and Agriculture. A year later, I was offered a position at the Ministry of Foreign Affairs.... Therefore, I came here as a mature person and could conduct work independently. That experience of work means a lot to me, and I still maintain ties with agricultural workers.

[Oliynyk] Please say something about your family.

[Udoenko] I have a grown up daughter. She is an art critic. My grandson has graduated from the University this year. My wife is a biologist by profession; she worked on a neighboring state farm. She speaks English and French and accompanies me on official trips.

[Oliynyk] Thank you for the interesting interview.

Interior Minister Comments on Crime, Tasks
WS2808091195 Kiev IMENEM ZAKONU
in Ukrainian 18 Aug 95 pp 3, 4

[Speech by Interior Minister Yuriy Kravchenko at a session of the Coordinating Committee for Fighting

Organized Crime and Corruption, in Kiev on 3 August: "The Police Are Trying To Control the Situation"]

[FBIS Translated Text] Esteemed Mr. President! Esteemed members of the committee, participants, colleagues!

We do not have to convince anyone that the profound processes of society's transformation based on market principles and society's progressing criminalization are tightly woven together. There are more than 200 factors influencing crime rates, which is a fact well-known not only to criminologists. I will not invent anything new when I say that in the current situation, the state of law and order in the country is primarily determined by the negative factors of the transitional period.

Neither have those factors spared the law enforcement system, particularly the bodies of internal affairs, which carry the principal burden of responsibility for both the level of public security and the results of fighting crime.

We have made an attempt to analyze the actual state of things in the sphere of law enforcement activities and to determine priority directions of work aimed at resolving the problems experienced by the police and the issue of stepping up the onslaught on crime.

The volume of registered crime continues to grow. Almost 316,000 crimes were registered in the first six months of 1995, which is 10.4 percent more than in the first half of 1994. The rate of increase is close to the one predicted by criminology experts.

Tangible negative changes have occurred in social mentality, including, on the one hand, the desire of a certain group of people to rapidly become rich, and, on the other hand, the attempts of the unemployed to survive under conditions of a bitter economic crisis. Those factors dramatically increased the sordid motivation for violations of law.

In comparison with the statistical data of 1990, the number of people employed in the economic sector has dropped by 9.5 percent. At the same time, the number of detected criminals has grown by 44 percent. We should also keep in mind that those figures do not include latent unemployment.

Among the unemployed, this ratio is even higher (106,000 as compared to 35,800). [as published]

The problem of employing juveniles has particular significance. It is among unemployed youths where the criminal world recruits for its replenishment.

While within the last four years the number of juvenile criminals who neither work nor study increased more than twofold, an opposite trend has clearly developed

among the working youth — a decrease in those involved in crime from 9,000 to 5,000.

What does an analysis of the structure of registered crime show?

Please pay attention to the fact that every other crime (51.2 percent) involves thefts of public or private property, while in the aggregate number of crimes that fall under the jurisdiction of criminal investigation departments, that category of crime accounts for over 63 percent of cases (98,700 out of 257,200). [as published]

Together with aggravated assault (2,522), robberies (15,015), fraud (4,860), and property crimes (not including the so-called economic crimes) make up more than one half (58 percent) of the crimes in Ukraine.

Criminal attacks on individuals dramatically destabilize the situation. This category is comprised of murder, aggravated physical harm, and rape. The number of those crimes has also significantly increased.

Criminal groups are a particular danger to public security and stability in the state.

Virtually 25 percent of all detected crimes belong to the category of group crimes. Criminal groups commit more than 33 percent of thefts, up to 20 percent of rapes, more than 14 percent of robberies, more than 40 percent of aggravated assaults, 10 percent of acts of hooliganism, and other heinous crimes.

The Ukrainian president's July [1994] edict "On Urgent Measures on Strengthening the Fight Against Crime," which has been implemented for a year now, undoubtedly produced certain results. In the first six months of 1995, the number of detected crimes increased by 43,000 (by 30 percent) in comparison with 1994. Thanks to measures undertaken in 17 oblasts and Crimea, certain progress has been achieved in reducing street crime (a 7.8-percent drop was observed in this category).

Crimea was and remains the zone demanding particular attention and responsibility. The situation is tense there, but due to measures undertaken to implement the edict "On Urgent Measures To Eliminate Violations of Law and Order in the Autonomous Republic of Crimea" it remains under control.

The Ukrainian Interior Ministry renders constant assistance to Crimea's police. Within the first half of 1995, more than 1,000 agents of the "Berkut" special task police force were sent to Crimea along with 300 operational officers. A 1,000-men strong contingent is currently stationed there.

We are conducting active operational investigations of criminal groups. Inter-departmental operational-investigative bodies have been set up, comprised of

police and Security Service officers, as well as employees of prosecutor's offices. Those bodies are working on finalizing investigations based on evidence collected on criminal groups.

There are a number of urgent problems which we are currently resolving in Crimea.

Due to a redeployment of available personnel from other regions, we are going to send another more than 1,000 officers to Crimea. In particular, in places densely populated with Crimean Tatars ethnic Tatars will be appointed to the post of precinct inspectors.

We are considering the issue of delegating to Crimea experienced specialists from operational-investigative units. We are also rendering assistance to Crimea's police in material and equipment. We have submitted our proposals to the government regarding the resolution of a number of other problems, including personnel problems, and I hope that those proposals will find support there.

As you see, despite the complex conditions, the police are still trying to keep the situation under control.

Thanks to efforts of the Interior Ministry and other law enforcement bodies, a legal basis has been established for conducting a more active organizational, operational-investigative, and preventive work of the police. However, the legislative basis remains imperfect.

I think that in the current situation it is redundant to speak about our accomplishments in fighting crime or cite our positive results, which are included in statistical reports. I would like to take advantage of the time that has been granted to me, in line with the agenda, to dwell in a greater detail on certain urgent problems regarding the sphere of law enforcement and to present my vision of the possible ways to resolve them.

Given the current conditions of flagrant criminal aggression, and given the wave of violence, disrespect for state administration institutions and the law, we should alter the obsolete approach toward fighting individual manifestations of organized crime, particularly banditry.

This phenomenon does exist and is growing due to the lack of adequate counteraction.

Let us take a closer look at certain organized criminal groups. Let me cite some statistics: In the first half of 1995, criminal groups that used firearms committed 75 aggravated assaults, 46 murders, four acts of banditry, and nine acts of extortion. Almost 200 pieces of firearms were confiscated from this category of criminals. Some 87 out of 500 criminal groups that had traits of

organized bodies possessed firearms, and 35 of them actually used them. Every fifth group (104) has existed for one-six years. More than one half of them (312) numbered between three and 10 members.

As we see, virtually all the characteristics of a gang were observed. At the same time, only 18 crimes were deemed by investigators as falling under Article 69 of the Criminal Code. But this absolutely does not correspond to the actual crime rate.

Within the last 50 years one could observe a continuous decrease in the application of the laws on banditry, which was primarily done for ideological reasons. While 369 such cases were registered in the postwar years, beginning in 1967, only one or two such cases were heard annually, and in certain years not a single case was heard. Meanwhile, the number of aggravated assaults went up from 1,500 in 1945 to 5,400 in 1994, and the number of robberies increased more than tenfold (from 3,000 to 32,500). We probably should acknowledge this trend.

Only 47 people were sentenced for banditry within the last 10 years, and until July 1995 plenary sessions of the Supreme Court did not discuss the procedure of hearing such cases in court.

I am convinced that we have an adequate legal basis for fighting bandit groups. The only thing that should be done is to introduce certain amendments to Article 112 of the Criminal Procedural Code, which should stipulate that investigations of banditry cases can be conducted by the bodies which open those cases, and not just by prosecutor's offices.

Here is another aspect of the aforementioned problem. We are currently using statistical data on the number of criminal groups that were detected and rendered harmless, the number of their members, and the like. However, there is still no distinct borderline between group crime and organized crime. Once we have introduced the term "organized criminal group" into the juridical lexicon systems, we should give a specific and clear description of the parameters of such groups. Otherwise, we will not get rid of the subjective approach taken in the provinces toward the classification of detected crimes. We must know the actual state of things to be able to work in a determined and well-considered manner, and to be honest before the citizens of our state.

Illegal circulation of arms, ammunition, and explosives has recently acquired a tremendous scale, which particularly exacerbates the operational situation.

Arms and explosives have become the principal argument used in conflicts between antagonistic criminal clans and groups, and they have become a recent method

of blackmail, including blackmail of state institutions and administrative bodies, in Kiev.

In 1994, criminals committed 132 felonies involving the use of explosive devices, which left 34 people dead and 70 injured. Some 122 such cases have been registered in 1995. Society faces a tangible threat of criminal terrorism. However, our legislation does not envision any responsibility for those kinds of actions, unlike the Russian legislation, in which an appropriate norm has been included.

More than 450 crimes committed in 1995 involved the use of firearms. Roads have become a zone of enhanced risk, given that armed mobile bandit groups operate on them. A special operation was carried out in April 1995 to render them harmless and put an end to illegal circulation of arms. Around 105,000 officers of the Interior Ministry took part in the operation, and as a result, 1,350 firearms were confiscated.

Some 314 criminal cases were opened within two weeks for illegal possession of firearms. All in all, 5,200 cases were opened within the first half of 1995 for crimes involving the use of arms.

Unfortunately, the penalty for those kinds of crimes does not correspond to their social danger. In my opinion, the penal policy should be definitely toughened, especially the responsibility for unauthorized carrying of firearms, thefts of firearms, their production, and the like.

We cannot remain indifferent to the fate of the enormous arsenal of Russia's 14th Army, which is to be re-deployed from the Transdnister area through Ukrainian territory. I believe it expedient to establish contacts with the involved bodies in Russia and Moldova before that process begins and to initiate the creation of a special intergovernmental commission for control over the shipping of arms and military hardware. Drug trafficking is another equally acute problem. The number of detected consumers of drugs has doubled within the last 10 years and has reached almost 52,000, which is 17.3 percent more than in 1994.

The volume of raw and ready-to-use narcotics increased 19-fold — from two tonnes in 1993 to 38 tonnes in 1994.

Almost 23 tonnes of drugs were confiscated within the first half of 1995, which is 2.5-fold more than in the first half of 1994. It is not hard to imagine how many potential victims of drug dealers escaped the terrible quagmire thanks to the police.

Drug trafficking has currently become one of the most widespread kinds of organized crime. More and more people are being dragged into it. While 11,600 people

were booked in 1994 for illegal drug operations, their number reached 19,900 in 1995. Some 18,000 drug-related crimes were detected in the first half of 1995, as opposed to 11,300 cases in the corresponding period of 1994. The activities of 480 groups of drug dealers are being currently investigated. Much has recently been done in Ukraine to fight that evil. An independent special service has been established, as well as an up-to-date legislative basis which meets international requirements. However, the main thing today is to create conditions for their effective usage.

Given that drug addiction primarily hits the young generation, thus threatening the nation's genetic pool, we need joint comprehensive activities on the part of the Ministry of Education, the Ministry for Issues of Youth and Sports, the Ministry of Labor, the Ministry of Culture, the Defense Supporting Association, and other involved institutions in order to promote a healthy life style, provide young people with jobs, organize their free time, and conduct their patriotic education.

Ukrainian sports stars can sponsor specific schools and help improve the level of mass physical training among children. I think that we could even grant certain economic privileges to those enterprises that create new jobs for young people or employ them in existing positions.

Now about strengthening the fight against crime in the sphere of the economy. The level of the latter's criminalization makes it impossible for law enforcement bodies to control the situation. It is currently hard to name any sector of the national economy which is free from widespread bribery, embezzlement of funds, products, metals, strategic raw materials, or energy resources.

More than 34,000 economic crimes and crimes of office (an increase of 32.6 percent) were detected in 1995. Criminal cases opened on 15,000 crimes were sent to the courts. This is 50 percent more than in the corresponding period of 1994.

Great attention is being paid to the detection of crimes in the financial-credit and banking systems and in new economic structures, where one can observe a steady trend for growth in crime. Some 1,167 crimes have been detected in 1995 so far in banking and the credit spheres, while in 1994 their number stood at 172. The number of embezzlements in the commercial sector of the economy witnessed more than a twofold increase (from 3,800 to 7,700). We observe an evident process of redividing the national wealth for the benefit of the shadow capital economy and of the criminal structures sponging on that capital.

Analysis indicates that the absence of clear terms of bank employees' responsibility for granting unjustified credits, the possibility of writing off unpayable debts or repaying them by means of bank profits facilitate crime in the credit sector. In light of that situation, law enforcement bodies have drafted a bill on criminal and administrative responsibility for those kinds of activities.

The stance of our bankers is bewildering, given that they linger on drafting a bill on criminal responsibility of people persistently evading repayment of credits. Moreover, they do not use the already existing lever — that of filing to the Court of Appeals demanding that those people be proclaimed bankrupt, that they be eliminated as legal entities, and their property be transferred to creditors as partial payment for the credit. The reason behind their lingering is clear, given that 73 banking institution officials have been brought up on charges of accepting bribes from their clients (in most cases, dishonest entrepreneurs) who applied for credits but had no intention to repay them, or used those credits for operations other than those for which the credits were issued.

In almost all inspected facilities, violations of tax legislation were observed, as well as instances of concealing hard currency revenues. In 1994, 40,000 entrepreneurs did not present income statements. In 1995, 26,800 out of 50,500 entrepreneurs inspected violated tax laws. More than 5.1 trillion karbovantsi in unpaid taxes were not received by the budget. Around 1,500 criminal cases were opened on tax evasion, worth tens and hundreds of millions of karbovantsi.

It is clear that this is just the tip of the iceberg.

Proceeding from the assumption that almost 40 percent of due taxes are not received by the budget, the task of the interior bodies to reveal sources for replenishing the budget becomes particularly important. This kind of activity will be strengthened and all the major police services will be engaged in them.

Given the imperfect nature of Article 148-2 of the Criminal Code (tax evasion), we have drafted a bill on responsibility for such acts. We suggest that the category of deeds falling under this law be expanded, and that they be considered heinous crimes (Part 4). It will serve our cause if the law is one of the first passed at the Supreme Council's fall session.

It is also good to create a single information network comprising the Interior Ministry, the State Customs Committee, and the State Tax Inspectorate, which would contain data on foreign economic operations and violators of the tax legislation.

It should be pointed out that under the conditions of an economic crisis and an increase in crime, certain courts have weakened their penal policy, including people guilty of heinous crimes. Only 8.8 percent of people accused of aggravated thefts of state and collective property by means of embezzlement, squandering, and abuse of office have been sentenced to imprisonment. The ratio of people sentenced for illegal currency operations stands at 4.1 percent, and of those guilty of violating trade regulations — at 1.1 percent. There have been only several cases of sentencing people guilty of tax evasion. In general, less than 6 percent of people who are put on trial are then sentenced to imprisonment, while the majority of them (55 percent) only pay symbolic fines.

Counteracting crime and its contemporary organized forms is becoming an ever more urgent national problem. Tangible results can only be achieved if we undertake complex simultaneous measures in all the spheres of our social life, and if we create real mechanisms of responsibility on the part of administrative structures at all levels, especially in the provinces, for the protection of law and order. Unfortunately, law enforcement bodies have been virtually left alone face to face with crime. Therefore, we are looking for ways to enhance the efficiency of fighting crime by means of our own reserves.

A working group has been set up in the ministry, which is drafting a long-term concept of the development of the police. Its primary goal is to optimize the qualitative and quantitative structures of branch services, mostly those carrying the major burden of fighting crime.

The state has to insure a substantial rise in the social status of those who stand guard over its interests and protect the law, exposing their lives and health. An attractive image of a law enforcement officer should be created, and thus respect for the state and its laws should be encouraged.

We have approached a situation that can be deemed a catastrophe in terms of the availability of both personnel and materiel. Only 14 percent of people who have higher juridical education work in criminal investigation departments. Even in inquiry departments there are less than 60 percent of such employees, while in Lugansk, Kirovohrad, Vinnytsya, Odessa, and Kherson Oblasts — only 45-50 percent. Would this be possible among lawyers, prosecutors, or in the courts?

The police has found itself in dire straits in terms of supplies and salaries, which is the primary reason behind the progressing process of destroying the potential of personnel. In 1994, 33 percent more officers requested to leave the interior bodies than in 1993 (24,000).

Within the first six months of 1995, their number reached 11,600. Within the last two years, the number of hired employees dropped from 51,800 to 43,500. If this process is not interrupted by urgent (and even emergency) measures, it is not hard to predict its consequences. Organized and corrupt criminals may become masters of the situation.

There is another acute personnel problem. As we know, within the last two years new jobs were created for more than 22,000 police officers, who were paid salaries from local budgets. In a number of Ukraine's regions local self-rule bodies have stopped their financial support, following the well-known letter written in 1994 by the Ministry of Finance. As a result, there is a real threat of personnel reductions in a whole number of services, including the passport service, precinct inspectorates, the State Motor Vehicle Inspectorate, criminal investigation departments, inquiry departments, and the like. It is time to finally resolve that issue without loss for the law enforcement system.

In light of the bitter economic crisis, the problem of keeping prisoners in detention institutions has become particularly exacerbated. All the forced labor camps are currently overcrowded (more than 200,000 convicts are kept in them, which is 13,000 more than in 1994). Investigation prisons are overcrowded, too — almost 46,000 convicts are kept there, the norm being 32,000. In certain oblasts, there is one prisoner for 1.3 square meters of prison floor, the norm being one prisoner for 2.5 square meters. The lack of jobs has created an explosive situation in many forced labor camps.

We are worried about the state of things in Crimea, Volhyn, Transcarpathian, Odessa, Sumy, Cherkasy, and Chernihiv Oblasts, where the issue of opening new forced labor camps — in accordance with government resolution No. 31 of 26 January 1994 — has not been resolved.

Given the lack of time, it is impossible to elucidate all the urgent issues of fighting crime. There are many more of them. The Interior Ministry Board session will make a more detailed analysis of the activities by bodies and units of the interior, as well as the progress in carrying out the orders issued by the president and the government, and implementing the decisions passed by the Coordinating Committee with regard to strengthening law and order in the state and determining the closest tasks and priorities for the future. I hope that our efforts will meet with understanding and support on the part of administrative structures and other law enforcement agencies.

Crimean Communist Leader Criticizes Kuchma Edict

LD2608123295 Kiev UNIAN in Ukrainian
1030 GMT 26 Aug 95

[FBIS Translated Text] Simferopol — Ukrainian President Leonid Kuchma's edicts "On privatization agencies" and "On state executive power in the Crimean Autonomous republic," "are against the very essence of the autonomous republic, infringe upon its rights, and are proof that the Ukrainian leadership has no intention of addressing the issue of Ukraine's internal structure, while continuing to uphold the principles of unitarianism," Leonid Hrach, leader of the Crimean Communists, has told UNIAN in an interview.

Adding that Crimea now has no say whatsoever in the management of its property and associated decision-making, he described the latter edict as "Leonid Kuchma and his team pushing ahead with their policy toward the obliteration of council authorities."

He said: "These two edicts have shattered the myth that Crimea as an autonomous republic may claim some special rights, both economically and politically, and leave only a facade of autonomy in Crimea."

Odessa Council Plans To Bring Back Russian TV

WS2808115895 Kiev INTELNEWS in English
2259 GMT 27 Aug 95

[FBIS Transcribed Text] Odessa, Aug 25 — The Odessa Regional Council, led by Chairman Ruslan Bodelan, has designated funds to return Russian Public Television broadcasts to the oblast's airwaves, according to a Friday GLASNOST newspaper report.

The report said Bodelan last week signed the order allocating some US\$20,000 per month of regional funds, bringing Odessan viewers their soap operas and legal MTV.

The report also noted that the Odessa regional government budget is presently in arrears of some KBV8 trillion [karbovantsi], or about US\$47 million.

The move was apparently prompted by Odessan Communists' picketing the Odessa Regional Council building last week demanding the return of RPT programming to Ukrainian airwaves, according to a ODESKIY VESTNIK newspaper report.

Economic Issues

Government Raises Petroleum Duties, Sets Up Fund

WS2808100695 Lvov INFOBANK in English
0710 GMT 28 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — On August 26 the Cabinet of Ministers raised the amount of customs duties to be paid for petroleum products and coal and passed a resolution regarding the fuel and energy complex's development fund. Money obtained from the difference between the old and new customs duties paid for these products will go into this fund.

Import duties on gasoline and diesel fuel will be 15 percent of the value estimated by customs but no less than 15 ECU per tonne. Import duties on coal will be 1-2 ECU per tonne (depending on the type). Import duties will not be collected on petroleum products belonging to non-residents which are sold on the territory of Ukraine if such products are produced by Ukrainian enterprises from foreign raw materials.

Money from the fuel and energy complex's development fund will be used to finance newly-launched fuel and energy businesses, to buy equipment, and to increase the volume of energy resources bought and manufactured, as well as for social assistance for citizens.

Oil Exports Over First Half Year Detailed

WS2808101495 Kiev UKRINFORM in English
0710 GMT 28 Aug 95

[From the "Business News Weekly" feature No. 34, 21-27 Aug 95]

[FBIS Transcribed Text] According to figures furnished by the state-owned Ukrnesteprodukt group, Ukrainian oil refineries exported 218,000 tons of petroleum products worth \$28.6 million and 2 billion Russian rubles [R] in the January-July period of 1995.

Products worth \$16.6 million and R2 billion were exported in the first half of 1994.

The structure of petroleum products exports changed slightly this year: K-4, fuel for vessels, the oil additive for "Dniprol" made up a large part of the exports.

In the past, Ukraine's main export was fuel oil.

Foreign Investment Increase in First Half Detailed

WS2808100795 Lvov INFOBANK in English
0710 GMT 28 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] According to information provided by Ukraine's Ministry of Statistics, the overall

volume of foreign capital invested into Ukraine's economy for the first half of 1995 increased by \$116.3 million compared to the previous year and totalled \$566.4 million. This figure includes \$35.9 million in investments from countries of the CIS and the Baltic states (6.3 percent of the overall volume).

The largest investments were made by partners from Germany (20.1 percent of the overall volume), the United States (19.4 percent), Great Britain (6.9 percent), Russia (5.6 percent), Cyprus (5.2 percent), Switzerland (3.7 percent), Ireland (3.2 percent) and the Netherlands (3.2 percent). From the overall volume of investments 15.9 percent was invested into machine-building and metal-working, 15.1 percent went to domestic trade, 13.9 percent to the food industry, and 5 percent each to light industry, foreign trade, and the chemical industry.

Ukrainian investments into other countries decreased by 1.2 million from last year and totalled \$14.5 million. This figure includes 3.6 million invested into countries of the former Soviet Union (25.1 percent of Ukraine's total foreign investments). A major portion of Ukraine's investments abroad were directed towards Switzerland (36.3 percent of the overall volume), Russia (25 percent), Hungary (15 percent), the United States (11.6 percent), and Austria (6.5 percent). The primary investors from Ukraine are enterprises in the fuel industry (25.5 percent of the overall volume), machine-building and metal-working (25.4 percent), domestic trade (15.9 percent), and the chemical industry (13.4 percent).

Government Concerned Over Winter Fuel Situation

WS2808105595 Kiev INTELNEWS in English
0258 GMT 28 Aug 95

[FBIS Transcribed Text] Ukraine's government resumed its seasonal preoccupation with energy supplies this week as officials discussed measures to ensure that the country's lights and homefires stay lit throughout the coming winter.

Many are forecasting a tough time for the state this winter in the economic, financial and social fields.

"The readiness of national economy for the autumn-winter period is very poor," Cabinet of Ministers officials said at their Monday [28 August] meeting.

Natural gas was and is the main Ukrainian fuel that is why it is critical that the supply and payments process need to be put in order, a fact which becomes particularly evident every time relations with Russia take a bad turn and the threat of a gas supply shutoff looms. UkrGazProm's debts have already reached KBV210 [karbovantsi] trillion and accumulated debts to Russia's GazProm is US\$228 million.

"Russia wants from us not so much to repay our debts as to work out a repayment mechanism that we don't have," Power and Electricity Minister Oleksiy Shebestov said.

Ukrainian economist Volodymyr Chernyak said miscalculations regarding fuel and energy will lead to a catastrophic sequence of events, which may culminate in a number of oblasts and regional enterprises being disconnected from the energy supply.

Prime Minister Yevhen Marchuk blamed the possible crisis on poor discipline within Ukrainian industries, saying that, although the government has already mandated solutions, nobody in the country's supposedly top-down command economy is carrying them out. "Low executive discipline is the main problem in Ukraine," he said.

Marchuk and others are calling for heads to roll, both through dismissals and prosecution.

"The power-energy complex is a wide field for Prosecutor's Office activities," Deputy Prime Minister Vasyl Durdynets said.

"We will probably need to make top staff changes within the industry," Deputy Prime Minister Anatoliy Kinakh said.

Volodymyr Danyliuk, an independent analyst, also blamed waste for the situation, saying that Ukraine loses as much as a ton of grain crops from every hectare during the harvest campaign, or more than US\$7 billion throughout the country. This figure alone would be enough to pay for this year's natural gas bill, he said.

While the prospects for the fall are also a matter of concern due to the government's stated intention to introduce a new currency, the hryvnia, by October, the government failed to take any action — at least externally — on the mechanics of the changeover this week. Deputy Prime Minister Viktor Pinzenik said, however, that the government intends to stick to its schedule this time and introduce the new currency shortly, while the National Bank of Ukraine still has some US\$2 billion to stabilize it through cash interventions on currency markets.

Looking ahead to next week, the government intends to take up another perennially insoluble problem — the growing debts of Ukrainian industrial enterprises, creating another governmental commission to study the situation. Meanwhile, critics are already saying that this new commission will do no better than the energy commission did in preparing the country for the coming winter.

Official Refutes Criticism of National Bank Move

954K0672A Kiev URYADOVYY KURYER
in Ukrainian 10 Aug 95 p 5

[Commentary by V. M. Kravets, deputy chairman of the Governing Board of the National Bank of Ukraine: "The Expansion of Russian Banks Poses No Danger to Ukrainian Banks. The NBU Is Not Allowing Any 'Whales' of the Russian Financial System into Ukraine, But Someone Wants To Catch Some Fish in Murky Waters"]

[FBIS Translated Text] The report that some Russian banks have joined in the electronic payment system (PES) of the National Bank of Ukraine [NBU] has provoked a negative reaction in the press. The main conclusion is that, on the whole, this is poses a danger for Ukraine's financial system. Is this really the case? Dmytro Rikberh, chief of the NBU's press service, put this question to V. M. Kravets, the deputy chairman of the Governing Board of the NBU.

The electronic payment system of Ukraine, he reported, like the payment systems of other countries, is constantly being improved; different ways of improving it and increasing its efficiency are being found. At the same time, commercial banks are also developing payment systems, in particular, the Ukrayina Bank, the Prominvestbank, and Hradobank. Recently, the young Knyazhyh Bank offered its own electronic payment system. Each of these systems has its own distinct features and does not duplicate any other system. This is a genuine accomplishment by banking experts, who want to solve problems that are of importance to them: concentrating resources, improving their ability to control the work of branches, ensuring the necessary speed and quality of their own clearing operations, etc.

The National Bank of Ukraine, like the commercial banks, which have their own settlement systems, is working out further improvements in the payment system. One of the most important tasks that our experts faced is the need to create a multicurrency system. At present, the funds of our clients — business entities — are in hundreds of *loro*-accounts in banks of the near abroad (mostly in Russia), or, if these funds are in the form of freely convertible currency, in the countries of the far abroad. This includes both decentralized currency and hard currency which we are constantly short of to settle accounts. That is why the NBU is developing a mechanism to ensure the maximum concentration of funds in a minimum number of accounts in order to allow them to be used effectively.

Inasmuch as Ukrainian business entities are in partnership relations with foreign entities, there is a need for

organizing an efficient means of settling accounts with them. It is no secret to anyone that by now hundreds of accounts have been opened at our commercial banks, as well as at foreign banks, to hold the *karbovantsi* of business entities who are nonresidents, that is, entities that are located outside Ukraine. We will not attempt to hide the fact that the amount of these funds is included in calculating monetary indicators and is of some interest to us. In order to control the use of this supply of *karbovantsi*, we need to know how much money there is, which banks are holding it, and who is in charge of this money.

If these funds are deposited in *loro*-accounts at commercial banks, they cannot be controlled by the NBU, which is why they are used in certain specific ways (for speculative banking operations). No one denies that playing on settlements in hard currency is a source of revenues for commercial banks. But looking at this problem from a different point of view, we might well ask ourselves: what is more important for us at this time — earning an income, including from services provided to non-resident banks in Ukraine, or having reliable means of regulating and managing the money supply that is in circulation here. For the time being, it is difficult to answer this question: the NBU cannot consider the economic, legal, technological, and technical aspects of this problem independently of one another. They are all closely interconnected, and only by taking into account the effect of the role of each of these aspects will we obtain the desired results.

If that is the case, why is the reaction to these issues so negative, and why is the NBU being accused of intending to harm the interests of Ukrainian commercial banks, leaving them to face powerful Russian banks on their own? This charge is completely unfounded: no decision was taken to open branches of Russian banks in Ukraine. As far as including some Russian banks in our electronic payment system is concerned, which is what is attracting nonresident banks with its possibilities of rapidly and reliably ensuring payments, it is the NBU's right to do so. It should be stressed that these banks will not be direct members of the electronic payment system. At best, nonresident banks will have *loro*-accounts at the Interstate Settlement Center (TsMR), if they do not have such accounts at commercial banks. It is simply a matter of commercial banks being afraid of losing a portion of their *karbovantsi* resources, inasmuch as deposits in *loro*-accounts are credit resources and a portion of them will be transferred to the TsMR. And primarily, they will lose the source of that portion of their revenues that derives from speculative operations in the buying and selling of hard currency. When accounts are opened at the NBU, we are talking about

correspondent accounts in the national currency. The NBU thus places national currency, its karbovantsi loro-accounts, under its control, because the NBU can then see the movement in these accounts, something which, incidentally, it cannot see when the money is in loro-accounts at commercial banks.

The optimum solution to the question of opening loro-accounts for commercial banks has not yet been found, and it is possible to make various changes both with respect to the activity of commercial banks and with respect to relations between central banks, in particular, the Central Bank of the Russian Federation and the NBU. This massive attack on the NBU is not the first of its kind. In particular, we saw this when the electronic payment system was being introduced, and individual directors of commercial banks did not want to join in the new payment system; they were satisfied with the old system of payments, under which funds were held up for long periods of time, great confusion raged, and it was possible to catch some fish in murky waters, as the saying goes.

I believe that, apart from lobbying for the interests of certain commercial banks, the articles that appeared have as their goal to undermine the policy of the NBU with respect to the stabilization of the banking system. The issues broached in the articles, even though they really do touch upon the interests of commercial banks, do not contain elements that would prevent them from being solved.

The uproar that because Russian banks have made their way into the payment system, the NBU is assisting in the transfer of national capital to Russia does not hold up to criticism. This is not true. Ukraine's capital remains and it is working only within the borders of Ukraine. Karbovantsi remain within the sphere of our payment system, and they cannot move outside the borders of Ukraine. If some portion of them flows to another country through some other currency, this is a problem of controls, and these processes lie outside the payment system and are controlled by other means. There is no foundation for the charge that including Russian banks in the electronic payment system is a way of supporting the State Settlement Center [as published], which is experiencing not the best of times. Yet, as we have seen, it is precisely the Center's ability to settle accounts quickly and efficiently that attracted the attention of nonresident banks. The mass media have seen on more than one occasion the technical and intellectual potential of the Center and what tasks it performs.

On 2 August, a working meeting on improving the electronic payment system was held at the National Bank of Ukraine, attended by personnel from the

NBU, the Association of Ukrainian Banks, and a number of Ukraine's commercial banks. Once again, the NBU confirmed that the correspondent account at the TsMR for the Tveruniversalbank was created strictly for technical purposes: it will be used for adapting the introduced program product. In discussing the question of introducing a multicurrency payment system into industrial use, NBU employees assured commercial banks that they would continue consulting with them on this matter.

Nature of Unemployment Characterized

954K0670A Lvov POST-POSTUP in Ukrainian
2-16 Aug 95 No 26, p 6

[Article by Volodymyr Pukhlii, member of the Council for the Study of Productive Forces of the National Academy of Sciences of Ukraine, under the "The Job Market" rubric: "Unemployment in Ukraine Is In Earnest and Will Last a Long Time"]

[FBIS Translated Text] Under Soviet rule, unemployment as a phenomenon of social life was not recognized as something caused by objective factors, and therefore could not really exist. That is why mandatory employment was made a legal requirement for people who chose not to work. This situation lasted in Ukraine until March 1991 when the Law "On the Employment of the Population" was passed.

This law "legalized" unemployment and approved a series of provisions associated with this, in particular, a ban on compulsory labor, the right to voluntary work and free choice of employment, the obligation of the state to provide financial aid and assistance in finding a job, certain social guarantees for certain groups of the population, such as, for example, the disabled, etc. The State Employment Service was created to allow the state to ensure the fulfillment of the rights and obligations provided for by this law by members of society.

Based on this law, the first unemployed person was registered in Ukraine on 10 July 1991. Since then, approximately 470,000 of our compatriots have been granted unemployed status (some more than once). According to statistics, the number of unemployed in Ukraine at the end of 1991 totalled 7,031 persons, at the end of 1992 — 70,535, at the end of 1993 — 83,889, at the end of 1994 — 82,212, at the end of the first quarter of 1995 — 86,565, and at the end of the first half of 1995 — 84,596.

The most important aspects characterizing unemployment in Ukraine are:

First, the level of officially registered unemployment is low for a country with a labor potential of more than

29 million. Thus, the unemployment rate (calculated as the percentage of unemployed persons of the total economically active population of working age) was only 0.29 percent as of 1 January 1995 (and has remained almost unchanged over time) in contrast to countries with developed market economies, where it reaches 7-10 percent and more.

Second, women continually predominate among the unemployed (70 percent according to figures for 1 April 1995), as do individuals with a higher education (38.2 percent); young people up to the age of 28 make up a large and gradually growing group (36.6 percent at the beginning of the second quarter of 1995 as against 35.9 percent at the beginning of this year).

Third, there are significant differences between regions in the level of unemployment, ranging from 0.04 percent in Kiev to 0.24 percent in Poltava and 0.27 percent in Sumy oblast (close to the national level) and 1.02 in Volyn and 1.21 in Ivano-Frankivsk oblasts.

Fourth, there is a rising level of stagnant unemployment, that is, the length of time spent by people out of work is increasing. While in 1993 this period lasted an average of 17.5 weeks, in 1995, it has increased to 20 weeks.

Fifth, there is large-scale hidden unemployment, which compensates for the low rate of official unemployment. This means *de facto* unemployment but without the appropriate status, without guarantees of social protection, and with very little hope of renewed employment. The sectors of the national economy whose workers have been affected most by conditions that are described as hidden unemployment are industry (48.2 percent of the total number of workers), and, in particular, light industry (87 percent), machinebuilding (67.2 percent), non-ferrous metallurgy (57.4 percent), the building industry (39.4 percent), and transportation (33.1 percent). The regions that lead in hidden unemployment are Ternopil (3.4 percent are not fully employed), Zhytomyr (2.1 percent), Luhansk (2.1 percent), and Chernihiv (2.1 percent) oblasts.

In addition, it should be noted that the dynamics of the unemployment rate do not correspond to the dynamics of general economic indicators, which is something that does not hold true for developed market economies. In 1994, the produced national income compared with that of the preceding year fell 24.5 percent, industrial output decreased 28 percent, and that of agriculture — 17 percent. Similar dynamics were seen in other sectors of the national economy, whereas the number of employed workers decreased only 6.4 percent while the size of the economically active population remained almost unchanged. In fact, the volumes and level of

unemployment actually fell. A similar situation is being observed this year.

Sixth, the strain in the job market is growing with each year, as characterized, in particular, by the limited demand for workers in the national economy: on the whole, there were 0.8 jobs for each registered person (1.2 jobs per each blue-collar worker and 0.3 jobs for each white-collar worker). In large industrial regions, this indicator is significantly higher: ranging from 1.2 jobs in Donetsk Oblast to 2.7 in Dnipropetrovsk oblast, and in the cities of Kiev and Sevastopol, 4.3 and 3.0, respectively. In other oblasts, jobs per citizen ranged from 0.5 in Kiev and Kherson oblasts to 0.35 in Chernihiv and 1.1 in Vinnytsya oblasts. The situation was most critical in the western region: for every registered individual, there were from 0.02 jobs in Lviv Oblast to 0.4 jobs in Chernivtsi Oblast. And the number of vacancies for white-collar workers averaged 0.09 per individual, that is, there were virtually no jobs for white-collar workers. This had a negative effect on the ability of employment centers to place people who had registered with them: the proportion of those provided with jobs ranged from 11.3 percent in Ivano-Frankivsk Oblast to 24.8 percent in Zakarpattia Oblast.

At the same time, unemployment exists despite the availability of jobs. This attests to the fact that the population, although on the whole interested in the productive use of its labor potential, is nevertheless not managing to keep up with changes in the territorial and professional structures of manpower demands within the national economic complex. One reason for this situation is the fact that on the one hand thus far most of the population is not psychologically prepared for territorial and social mobility, and on the other hand, the necessary improvement of the system of training and retraining the workforce has been delayed. However, obviously, the main reason is that even official employment in current conditions does not guarantee sufficient income, and therefore large contingents of the population prefer employment that is not regulated by law.

Unemployment is an integral part of a market-based economic system. One should, therefore, refrain from drawing overly pessimistic conclusions with respect to unemployment. The main thing is for social institutions to create and firmly maintain levers that control the functioning of the job market, above all, protecting the broad masses of the population from mass unemployment and other negative consequences that arise from it (unwarranted disparity in incomes, etc.). At present, the following problems in particular must be urgently resolved:

1. Reducing forced incomplete employment and providing social protection for those affected by this form of hidden unemployment.

2. Using administrative and legal means to reduce unregulated employment.

It is, of course, possible to add to this list a number of other measures designed to humanize the nature

of market relations in the sphere of employment, but social assistance must not reduce individual effort and responsibility for individual competitiveness in the labor market.

Belarus

Trade Talks With Chinese Delegation Detailed

WS2808080095 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 21 Aug 95 p 9

[Article by "E.S.:" "Belarus-China: Familiarization Continues"]

[FBIS Translated Text] A visit by a Chinese governmental delegation devoted to trade and economic cooperation was not crowned by signing of agreements. The Chinese delegation confined itself to letters of intent. Even this, however, can be considered an achievement of the Belarusian economy, which proved to be in the sphere of interests of a country inhabited by 1 billion people.

The main trends of bilateral cooperation were specified in a trade memorandum on mutual purchases of goods, which was signed at the Ministry of Foreign Economic Ties on 14 August. The Belarusian side pledged to help the PRC obtain chemical and mineral fertilizers, synthetic fibers, and other chemical products, as well as rolled metal, trucks, electric appliances, and machines. A sample list presented by the Chinese side included frozen and canned meat, knitted wear, fluff, fur, and leather products, tea, footwear, hog bristles, light industry products, computers and mobile communication systems, silk textiles, and medical equipment.

Among talks held at ministries and departments, the most productive were those with the Ministry of Industry, during which the two sides discussed the possibility of cooperation between Chinese companies and the Integral and Planar scientific production amalgamations. In particular, microcircuits produced by Integral as a rule are shipped to China via Hong Kong and Singapore, and it would be quite logical to arrange direct deliveries. A Chinese export and import corporation was interested in the possibility of organizing joint production of compact disc recorders at the Vitsebsk-based Evistor plant, and then selling them in third country markets.

While visiting the Bellegprom concern, the managers of the Chinalight, Chinatex, and Shanghai Textiles corporations displayed interest in purchasing all sorts of textiles and yarns, ready-made garments, footwear, natural leather, and synthetic furs. In turn, their offered deliveries of cotton yarn, natural silk textiles, synthetic leather, natural furs, and bristles.

Prospects for these and other talks were held up until a mutual payments system was devised: The Chinese side insisted basically on barter deals, while our side preferred payments in hard currency. A compromise presented by the BelavtoMAZ foreign trade company at one of the meetings, suggesting opening accounts in

Chinese banks to pay Belarusian suppliers in yuan, was not upheld by the Chinese delegation.

BELORUSSKAYA DELOVAYA GAZETA File In 1994, China came sixth in terms of Belarusian exports to countries of the far abroad, and first among countries from the Afro-Asian region. During January-April 1995, exports to the PRC increased 2.6-fold and amounted to \$24,478,000.

As for talks with Belkhimnefteprom company, only deliveries in exchange for hard currency were discussed — those of acrylic fibers and high-pressure resistant polyethylene. Virtually the same offers were discussed with Belarusintorg, with the addition of a group of products included in the sample list presented by the Chinese side, which was stipulated in the trade memorandum.

Belmetall company will perhaps continue its contacts with the China National Metals and Minerals import and export corporation. The Belarusian company displayed its interest in purchasing manganese, wolfram, graphite electrodes, and lead. Specific talks on signing a contract will be held with the corporation's representative in Moscow.

Belarusian businessmen met with the Chinese delegation at the Belarusian Trade and Industry Chamber. Also held were private talks — those between the Levanta and Atlas International companies and a Chinese livestock import and export corporation; between the ROSK company and the Rich Trade House shareholding company and the Chinese textile import and export corporation; and other negotiations.

It is characteristic that our experts link the lack of information about Belarus' economic capabilities with the recent appearance of our Republic on the world's map. Chinese experts, on the other hand, explain the skeptical attitude toward their country's products by pointing to the activities of "peddlers" bringing low-quality products to Belarus, thus creating a constant poor opinion of them. Additionally, there are tendencies to reduce imports from the PRC, which increases Belarus' positive trade balance, though, in general, this indicates the unilateral nature of the development of the cooperation.

According to data presented by the Ministry of Foreign Economic Ties as of 1 August, 22 Belarusian-Chinese joint ventures had been registered in Belarus (their combined authorized fund amounts to \$6,349,400, including the Chinese side's capital totalling \$3,242,000), nine Chinese companies (authorized fund — \$191,000), and one trade mission — the Chinese Changchun food export and import company.

Official Views UN Peacekeeping Participation

LD2508124395 *Moscow INTERFAX in English*
1028 GMT 25 Aug 95

[FBIS Transcribed Text] MINSK, Aug 24 (INTERFAX-West) — Valeriy Tsepkalo, Belarusian first deputy foreign minister, is convinced that his country's participation in UN peacekeeping operations is desirable. He told INTERFAX that numerous proposals made by the UN Secretariat that Belarus should make its troops available for peacekeeping operations had been rejected because the country's legislation bans the use of troops outside Belarus. The new Constitution, approved on March 15, 1994, does not restrict this activity, Tsepkalo said.

The new military doctrine that came into force on December 16, 1992, does not rule out participation of Belarusian units in peacekeeping operations, he emphasized.

Tsepkalo called for formation of a national peacekeeping battalion where army ex-soldiers and officers could be hired.

He argued that involvement in peacekeeping activities alone would reduce to a minimum the probability of the battalion's personnel being killed or wounded.

Lukashenka's Criticism of Yeltsin Viewed

MM2508130195 *Moscow IZVESTIYA in Russian*
25 Aug 95 p 2

[Report by Aleksandr Starikevich: "Alyaksandr Lukashenka Condemns Signatories of Belovezhskaya Forest Agreements"]

[FBIS Translated Text] Minsk — The Belarusian president constantly amazes the public. This time it was his revelations to a Krasnoyarsk television journalist that caused a sensation — he sharply criticized Boris Yeltsin.

Speaking of the three "Belovezhskaya Forest bison," Alyaksandr Lukashenka stated literally the following: "These people will all be cursed to varying degrees. I condemn Boris Yeltsin for his participation in the Belovezhskaya Forest deal." The Belarusian head of state also expounded an original version of the Viskulevskiy events. According to him, the "rabid nationalist Shushkevich and the rabid nationalist Kravchuk" demanded concessions from Yeltsin in the form of a withdrawal from the Soviet Union. Remembering his reaction, Lukashenka said: "I felt with all my heart that something terrible had happened."

Alyaksandr Lukashenka called the present opposition against him "the rabble," and stated that if it had won at the elections, the "complete genocide of the 2 million-strong Russian population in Belarus" was planned. The

president accused Gennadiy Karpenko, leader of the Party of National Accord, of hindering cotton supplies to the republic from Uzbekistan, citing counterintelligence information.

Traditionally, another of the Belarusian president's key subjects was the mass media. Lukashenka was distressed that KOMSOMOLSKAYA PRAVDA, which supported him during the times when "there was one reformer in Belarus — Lukashenka," has now published a number of articles describing him in negative terms. On this subject, he added that "nothing is published free today in Russia."

By way of a fee, Lukashenka proposed the following to the interviewer: "I am going to ask that you be offered some Belarusian vodka free at my expense." It is interesting that Gennadiy Nikolayev, a representative of the Krasnoyarsk television companies, managed to get an audience with the Belarusian president within 24 hours, whereas usually far more time is needed for this. Evidently, Lukashenka very much wanted to have his say.

The excerpt from the interview concerning the cotton supplies was shown on Belarusian television, and after this Gennadiy Karpenko filed a suit claiming protection of his honor and dignity and also compensation for moral damage to the tune of 2 million rubles. The other revelations made by the Belarusian head of state remain unknown to the general public at present. It is believed that an edited version of the conversation will be shown on Belarusian television 25 August.

As regards other Belarusian news, we would note that parliamentarian Sarhey Antonchyk has been released. In a conversation with the deputy, KGB staffers justified his arrest by an alleged presidential edict on the abolition of deputies' immunity from deputies' representatives of all ranks. With reference to the same document, Gennadiy Bykov, a deputy from the local soviet and chairman of the Free Trade Union of Belarus, was sentenced to 10 days' administrative arrest. However, in the evening of 23 August Belarusian radio rejected reports on the existence of such an edict.

Lukashenka Criticizes Russia on Defense

LD2508181395 *Moscow INTERFAX in English*
1622 GMT 25 Aug 95

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MINSK, Aug 25 (INTERFAX) — Russia should make better use of its cooperation with Belarus to enhance the defense capacity of both friendly

states, Belarusian President Alyaksandr Lukashenka said in a TV interview scheduled to be shown on Belarusian TV Friday night.

INTERFAX has received official permission from the Belarusian state head's circle to use this material before the interview is broadcasted.

"Is it rational for Russia to put its tanks, withdrawn from Germany, in Voronezh mud instead of conserving them in empty facilities of the armed forces in Belarus?" said the President.

In his opinion "to the west of Moscow, Russia has nothing in the defense sphere but the former Belarusian military district with its highly-skilled, well-trained and well-armed personnel. Russia will never be able to create a defense belt equal to the Belarusian army on its western border."

"Within four years of our independence, we have not demolished a single military strategic facility, as it was done, for example, in the Baltics. We do not make Russia pay rent for its use of military facilities on Belarussian territory," said the President.

[Moscow INTERFAX in English at 1348 GMT on 25 August adds: "President Alyaksandr Lukashenka of Belarus said he was 'in no hurry' to have oil refineries and iron and steel plants privatized and predicted that Russia would re-nationalize some of its own enterprises.

["The widespread view that Russia has gone ahead of Belarus as regards economic reforms is wrong, Lukashenka said in an interview to be shown on Belarusian TV Friday evening. What awaits Russia 'is a reverse process of re-privatization, where the government of the Russian Federation will have to take back enterprises that keep the government system going.'

["'Ownership means power,' the President went on, adding he was 'in no hurry to part with efficiently-working oil-refining and iron and steel enterprises.'

["He said the time to preserve the same monetary system for Belarus and Russia 'has been missed.' 'However, the matter is always near at hand and must not be lost sight of.'

["There are no objective obstacles in the way of unification between the two countries, Lukashenka argued. What prevents the two countries from drawing closer together is 'the fact that individual frenzied political leaders do not want unification.'"]

Lukashenka Views Procedures for Elections

LD2508170495 Minsk Radio Minsk Network
in Belarusian 1500 GMT 25 Aug 95

[FBIS Translated Text] The elections of deputies to the country's future Supreme Soviet set for 29 November will cost taxpayers about 30 billion rubles. Commenting on the election situation at the request of journalists, Alyaksandr Lukashenka, president of Belarus, said that the state has no spare money and it would be good to manage with a lesser amount. He also stated that the elections must be held in accordance with the law and that the head of state will not interfere in this process, but however many deputies are elected by the people in autumn in addition to the already elected 120, I am inclined to work only with the new parliament, the president said.

Moldova

Roundtable Urges Leadership To Avoid Further 'Tension'

AU2508120195 Chisinau BASAPRESS in English
1930 GMT 24 Aug 95

[FBIS Transcribed Text] Chisinau 24/08/1995 (BASAPress) — Nine political formations which participated in a "round table" sitting today, meeting organized at the Parliament's leadership initiative, adopted a press declaration in which they show concern regarding the aggravation of situation in Moldova due to "a clear escalation of the conflict between the President, Parliament and Government." The participants joined the appeal launched by Ion Druta which calls upon the President, the speaker, and the head of the government to proceed to "immediate talks in order to avoid an aggravation of tension in the socio-political situation."

Representatives of Moldovan Agrarian Democratic Party (PDAM), Social Democratic Party (PSD), Communist Party, Women's League, Republican Party, Socialist Party, "Unitate-Edinstvo" Movement, and Party for Economic Recovery agreed that the "round table" should become "a permanent consulting body for the parties" and that it should be gathered once in two months.

Socialist Aurel Cepoi is worried about a possible confrontation likely to worsen between the President, Government and Parliament. "The effect of the clash of opinions between Snegur [President Mireea Snegur], Lucinschi [Parliament Speaker Petru Lucinschi] and Sangheli [Prime Minister Andrei Sangheli] might result in the loss of all democratic achievements," the socialist said.

PDAM leader, Dumitru Motpan, said the press is overreacting when reflecting the misunderstanding between Snegur, Lucinschi and Sangheli, even if they belong to different parties. Motpan believes the presidential proposal to revise the 13th Article of the Constitution should be discussed in the presence of Dniester political parties "in order to avoid accusations that Snegur is trying to make the republic Romanian."

Unitate-Edinstvo Movement representative, Vladimir Solonari, suggested the formation of the Party of Renaissance and Conciliation could have negative effects since its goal is not to support Snegur in the presidential elections but to "change the constitutional order." Solonari said PDAM would have supported Snegur, but now that the latter one abandoned this party, the presidency seeks changes in constitution order and "inauguration of a presidential regime, either democratic or not."

Vladimir Voronin, prime secretary of the Communist Party, characterized the current economic situation as catastrophic, the social and economic situations as anti-people, and the politics in general as bankrupt."

Gheorghe Mazilu, republican leader, said Snegur's proposal to alter the 13th Article is related to something one cannot deny, but it requires joint efforts of president and Parliament to find a conciliation variant. Mazilu believes a prior task is to urgently recover the economy and get the population out of poverty. The republican leader supported Voronin's statement that the socio-political situation in Moldova is corrupted.

All the participants in the "round table" agreed to demand free access of all political formations to radio and TV. SPD representative blamed the leaders of the parliamentary parties of having adopted the law on local elections in a variant which "provides for the anti-democratic procedure of appointing heads of local public administrations through presidential decrees."

The vice-president of the Parliament, Dumitru Motpan, pointed out that after the vacation, the Parliament will introduce the necessary alterations in the laws on elections to local public administration. The vice-president of the parliament, Dumitru Diacov, said the Alliance of Democratic Forces accepted the idea of a "round table" and agreed to participate in it starting with the next sitting, but the People's Christian Democratic Front representatives couldn't be found to be invited.

Domestic Situation Discussed

AU2508132895 Chisinau INFOTAG in English
1900 GMT 24 Aug 95

[FBIS Transcribed Text] Thursday, August 24, 1995
— PDAM Chairman Denied the Ruling Role of His Party

The Chairman of the Agrarian Democratic Party (PDAM) and Deputy Parliament Chairman Dumitru Motpan has denied assertions that the PDAM is Moldova's ruling party. He stated at today's round-table conference that "everybody is trying to make scapegoats of Agrarian Democrats in the current situation." In his opinion, this is unfair, because "the Parliament is formed not by one but by five political formations, and all of them must bear responsibility for the state of affairs in the society." The current government may be definitely called a coalition one, for only five ministers are PDAM members, he said, and called all parties to be more active participants of the political life, including in settling the Dniester dispute, economic and other problems.

Most delegates, however, would not yield to sharing responsibility with the PDAM. Leader of the Party of Economic Revival, Vitaliy Andriyevskiy, has stated that "the ruling party, having a majority in Parliament, has laid a foundation for positive economic developments, and passed a series of life-important laws. At the same time, the parliamentary majority is negligent about the opposition, and does not care about utilizing its intellectual potential. Dniester settlement is slack. The ruling majority does not invest in private businesses, and deals only with state structures. The authorities' province policy is based on personal likes and dislikes," Andriyevskiy emphasized.

He was backed by other political forces, who fingered at drawbacks in the economic policy and at "contradictions on the top which may be echoed at the bottom in the form of halting the democratization processes."

Political Problems in Moldova Are Consequences of Economic Policy and Errors

The political evolution in Moldova is a consequence of the economic policy and errors, believes Eugen Sobor, leader of the Social Progress Party. He remarked at today's round-table conference that serious errors had been made in conducting economic reforms, and they had pushed down the standards of living in the republic. He criticized the monetary policy "which is dictated by the International Monetary Fund, and succeeded in making the leu stable at the expense of impoverishing the population."

Representatives of the Republican and Communist Parties backed his opinion. The Communist Party leader Vladimir Voronin stated that "the current economic policy is catastrophic, the social policy is anti-people, and the general policy leads to a deadlock, because the republic is governed by corrupted bureaucrats and criminals."

Forces in Moldovan Society May Be Shuffled Non-Constitutionally, Political Parties Presume

Participants of today's round-table meeting held in the Moldovan Parliament presume that a danger exists in Moldova that political forces may be shuffled by using anti-constitutional ways. Developing the thought, one of the leaders of the Unitatea Movement, Vladimir Solonari, expressed his concern about "President Snegur's discontent with the current Constitution." In Solonari's opinion, "there is a danger of introducing a presidential dictatorial regime, which disagrees with the principles of a democratic state. To avoid that, we must educate people. We should be not just patriots, but constitutional patriots. There will be no happy future without that," he said.

Analyzing the threat of a split in the society, the participants stressed these apprehensions have no relation to the establishment of the Party of Revival and Accord. The chief reason is that the electorate is oriented at the three chief leaders, whose contradictions have become evident. In that connection, they supported Ion Druta's proposition to search for ways of reconciling the three power institutions, and offered an initiative to organize a live TV dialogue between Snegur [President Mircea Snegur], Lucinschi [Parliament Speaker Petru Lucinschi], and Sangheli [Prime Minister Andrei Sangheli].

Split Within 'Power Echelon' Viewed

AU2608195195 Chisinau INFOTAG in English
2030 GMT 25 Aug 95

["Commentary" by INFOTAG]

[FBIS Transcribed Text] Chisinau, August 25 (INFOTAG) — Against the background of the August political lull, typical of summer vacation season, the yesterday's roundtable conference of political parties and movements looks an almost extraordinary political event. The more so if one takes into account that for the first time during the four years of independence several parties and movements have managed to meet round one table and listen to each other's opinion.

One should pay tribute to the conference organizers, who managed to arrange everything in a maximum limited time: The period between voicing the idea and opening the unusual session was only one week.

The Parliament's initiative was supported by nine political formations.

From the very beginning, absolutely all participants have resolutely refuted rumors that the conference was convened, allegedly, to form a single political (electoral) bloc.

Despite the statement, one cannot completely exclude such a variant, and the speedy conference organization — in the absence of the parliament chairman and leaders of many parties — may be interpreted as an indication in favor. The expeditiousness was next to haste, and that circumstance influenced negatively the quality and thoroughness of the forum organization.

It looks evident that in the current unstable political weather Parliament has tried to take over the initiative. The bad weather is largely due to President Snegur's actions, who quitted the Democratic Agrarian Party of Moldova [PDAM] and set up a party of his own, as well as due to the now visible split between the president, Parliament, and Government, and due to an ensuing schism between political parties and the electorate.

The parliament leadership attempted to forestall some events and to avert the outflow to the presidential camp of those who are showing hesitation.

And though it was many times stressed that the initiative to arrange the roundtable conference belongs to the parliament leadership, and not to the PDAM, it can be clearly seen with a naked eye that the PDAM needs such political consultations more than any other party does.

The parliament leadership was formed by the PDAM in March 1994, but it was almost demonstratively neglecting the opposition's opinion till the time when a split in their camp has become a reality and till they have lost a simple majority in Parliament. By the way, some conference participants remarked that the parliamentary majority is negligent about the opposition, and does not care about utilizing its intellectual potential, and several speakers have criticized the authorities in a fairly harsh manner.

It may be that very circumstance prompted PDAM Chairman Dumitru Motpan to make a totally unexpected statement that the PDAM is not a ruling party at all. In his opinion, the argument in favor of the view is that there are five parties in Parliament, not one, and only five ministers in the present government are members of the PDAM.

These arguments caused smiles on participants' faces, for all of them know the zero role and significance of the opposition in the forum (at least, till very recently.)

as well as another thing, which is fresh in everybody's memory: The PDAM formed the government at their own discretion, having given one ministerial post to the Socialist Unity Faction, and an other to the out-of-Parliament Republican Party, which shared many of PDAM's views at the time.

The PDAM's striving to spread responsibility over other forces looks ever more strange in a situation, when, for more than a year, they had been resolutely undertaking the role of a ruling force and rejected statements of the right opposition that the PDAM formed a coalition with the Socialist Unity Faction.

To the latter's honor, in a moment critical for the PDAM, the Socialist Unity stated their readiness to share responsibility for the grave situation and for the consequences of the government program, because they had to vote for the program, though never participated in its preparation. As for the roundtable participants, in a reply to the above unexpected statement about the not-ruling PDAM, they made a no less sudden statement on their readiness to share responsibility in case a coalition government is formed.

This was a test ball, and nobody picked it up. But it may become important later this autumn, after Parliament hears the government's report. If the PDAM approves of the report, then it is quite possible that they will have to agree with an idea of early parliamentary election. The idea has already been voiced by various parties, and it may be raised concretely at subsequent roundtable meetings, which will be held at least once in two months, as decided on Thursday [24 August].

The conference was organized exactly on the eve of the founding congress of the Party of Revival and Accord. The organizers sought to let the new party know it was facing serious opponents capable to suppress ambitions and, in case of need, get united for the sake of restoring civil harmony. A slight scent of reproach of the new party was present even in some of conference's draft documents. However, delegates would deny an open confrontation with the new party, having given preference to more diplomatic formulations.

This first roundtable meeting may be considered quite a success. And though some observers keep on repeating that it was an attempt to form an election bloc of left and center forces, it is too premature to say a definite "yes." Also, it is too early to assert whether or not the roundtable arrangement will be joined by the so far absent political parties. The most substantial achievement of the new forum is, to our mind, their agreement with "The Estimates Given in the Statement of People's Writer Ion Druta" and their proposition

to organize a constructive dialogue between the three Moldovan leaders.

The conference participants appealed to the Moldovan leadership to find an optimum way to and methods for a civilized political dispute, and to prove in deeds their responsibility for normal functioning of state institutions.

A few days ago, Prime Minister Andrei Sangheli expressed readiness for a reasonable compromise for the sake of accord in the society, and for providing for fruitful activities in the complicated transition period. He has shared Mr. Druta's estimate of possible negative consequences of the abnormal relationship in the top power echelon and the ensuing destabilization of the political situation.

However, the readiness of only one man of the Trinity is not enough. At the same very day, President Snegur met with Moldovan writers, who, being ardent supporters of Romanism, are considered to be political opponents of the present authorities, who endorse the ideology of "Moldovanism." Both the president and his guests unanimously agreed that it was no good when only one writer was being listened to. And though no concrete names were mentioned, it is quite evident that Mircea Snegur allowed himself to disagree with the patriarch of the Moldovan literature, Ion Druta, the man of his former respect. This seems to be another evidence in favor of Snegur's having made his final political choice.

His resoluteness, never known before, and the cosmic silence of Petru Lucinschi after what Ion Druta has stated are showing that the unity of the presidential, parliamentary, and governmental powers — Moldova's pride during the last two years — has gone. The recent crack between them is gradually growing into an abyss. Each of the three is going his own way, and none sees any possibility to give it up.

Premier Urges 'Compromise' Among Top Leadership

AU2508143395 Chisinau INFOTAG in English
1900 GMT 24 Aug 95

[FBIS Transcribed Text] Thursday, August 24, 1995 — Prime Minister Andrei Sangheli has stated that "the Government is ready for a reasonable compromise for the sake of achieving all-embracing accord, and providing for a fruitful work in the current complicated period of building a market economy and a democratic, law-governed state."

The prime minister made the statement in his reply letter sent to the chairman of the "St. Paul House" society,

writer Ion Druta, who recently expressed his concern about differences in the top Moldovan leadership.

Sangheli fully shares Druta's "estimates of possible negative consequences of the current abnormal relations in the top power echelon and the ensuing de-stabilization of political situation in our common home."

Sangheli wrote: "You are quite right in saying that no big politics is made on the bottom of a pit where the current situation is driving all us to."

He expressed readiness "to search for accord, for undertaking such actions and decisions which would revive team work at the power Olympus, would promote peace and unity and successful advance of our state along the path chosen by the people, and would bring the nation to economic and social prosperity."

President Snegur Calls Russia 'Priority Partner'

*LD2508165495 Moscow INTERFAX in English
1514 GMT 25 Aug 95*

[FBIS Transcribed Text] CHISINAU, Aug 25 (Interfax) — Moldovan admission to European organizations, including the OSCE, the Council of Europe and the European Union, was the main foreign political achievement of Moldova in its four years of independence, Moldovan President Mircea Snegur told an exclusive Interfax interview Friday on the eve of Moldovan Independence Day (to be marked on August 27).

The President stressed that Russia is a priority partner of Moldova, according to its foreign political doctrine. "I believe in the democratic Russia of Boris Yeltsin, who is holding a realistic and well-considered policy," said Snegur.

In his opinion, Moldova "must preserve the eastern, primarily Russian, market." He called for full restoration of economic relations between Commonwealth member-states.

The Moldovan leader called attention to the progress in solving national-territorial problems. He said that the Gagauz problem was settled with creation of the administrative-territorial autonomy of the region, and stressed "all disputable issues will be settled with exclusively peaceful methods." Snegur spoke with optimism about negotiations underway with Transdnestr region leaders on a special legal status of the Moldovan left-bank areas.

Commenting on the successes of the economic reforms Snegur noted the lowered inflation rates, active privatization and convertibility of the national currency. However, there are still problems to be tackled — these are

low rates of production modernization and poor social security of low-income families.

Communists Criticize Snegur, Warn of 'Violent' Events

*AU2608195395 Chisinau INFOTAG in English
2030 GMT 25 Aug 95*

[FBIS Transcribed Text] Chisinau, August 25 (INFOTAG) — The Moldovan Communist Party (PCM) has stated that the republic is facing dangerous trends of one more mounting political tension, and the society is at a risk to be again involved in a political discord, reads a statement of the PCM Executive Committee distributed at today's press conference in Chisinau.

"The risk seems particularly great because its source is the number one political figure in the state — the president," the statement declares. "In fact, Mircea Snegur has initiated the transformation of the language problem into a key political issue, with all ensuing consequences," the communists believe.

The party presumes that the reasons of such Snegur's actions are the approaching presidential election and the fact that the election campaign "has not been only started, but has already assumed a definite political and nationalistic coloring."

"The awful bloody conflict of 1992, which caused hundreds of deaths with no responsible punished, the still split republic, the half-paralyzed economy, the anti-people privatization, and the rapid impoverishment of the population — these are the gaping holes in the splendid political image of the president. To escape responsibility for all that, he and his supporters are laying down the thick smoke screen in the form of politico-linguistic passions," the document reads.

"Taking into consideration the latest statement by the students' and teachers' strike committee, the prepared scenario envisages a transition to more violent political events with unpredictable consequences."

"The name of our nation and its centuries-old history cannot and must not be changed by will of political time-servers.... We fully support the initiative of 65 MPs to organize a nationwide referendum on the name of the republic's official language, and are going to actively participate in it," the communists stated.

The PCM stressed the necessity to fix strict conditions, which would allow parties to nominate candidates for the forthcoming presidential election.

PCM Chairman Vladimir Voronin said at today's press conference that many of the parties registered in Moldova represent nobody but their leaders. The

PCM suggests to amend the current Party Law with a purpose to rise the present minimum threshold of 300 members necessary to register a party.

As for putting up candidates for the presidency, various restrictions are possible, which could filter away representatives of small parties. For instance, it is possible to introduce a rule by which a party may only put up its candidate if it has structures in no less than 50 percent of republic's areas, or it must have a minimum of 10,000 members, or raise 50-100 thousand signatures. In his opinion, the PDM is currently backed by some 30 percent of the electorate. This estimate of his is based on the results of the latest local elections (19.6 percent of all votes, though the communists were not on the lists in eight areas of Moldova,) on information from the localities, and on election experience in Gagauzia.

So far, the PCM considers no concrete candidatures for the presidency. For the beginning, the party is planning to scrutinize the platforms and life experience of all possible candidates representing other forces, and may then put up a candidate of their own.

PCM leader Vladimir Voronin believes the Moldovan population have been in an information blockade. Speaking at today's press conference, he expressed surprise that despite the agreement reached last Thurs-

day [24 August] at the roundtable conference, the final press communique had omitted the parties' demand to get access to the state-run television, radio, and papers.

"Due to poverty, people cannot read newspapers, and the television and radio are accessible to only certain parties, though the media are financed by all taxpayers," Voronin stressed.

He also remarked that the conference delegates have spoken for withdrawing from the communique any appraisals of newly established parties. However, the document authors would not do that.

Comrade Voronin has confirmed the estimate of the Moldovan situation which he voiced at the round-table meeting: "The current economic policy is catastrophic, the social policy is anti-people, and the general policy leads to a deadlock, because the republic is governed by corrupted bureaucrats and criminals."

"One of the most serious problems, if not the most serious one, to be solved by the would-be president is the prevention of crime and corruption. For the time being, very few Moldovans can even imagine what will be the outcome of the second privatization stage — for money," he warned.

Kyrgyzstan**Reportage on Official Visit of Pakistani Premier****Dzhumagulov, Bhutto Hold Talks**

*BK2508140595 Islamabad PTV Television Network
in English 1300 GMT 25 Aug 95*

[FBIS Transcribed Text] Official talks between Pakistan and Kyrgyzstan were held in Bishkek today. The Pakistani side was led by Prime Minister Benazir Bhutto while the Kyrgyz team was headed by Kyrgyz Prime Minister Abbas Dzhumagulov.

The two sides agreed to examine the possibilities of joint ventures and increasing the trade between the two countries. Pakistan offered expert advisory service to organize handicraft industry in Kyrgyzstan. PTDC [Pakistan Tourism Development Corporation] will set up a three-star hotel in Bishkek and coordinate chartered flights for the promotion of tourism. Experts were directed to conclude agreements on the setting up of the trade offices in both the countries. The two countries will also explore the possibility of establishing yet another road link via Vakhsh Strip in Afghanistan. The project is to be financed by the World Bank. It was emphasized that the proposed road was strategically very important and will provide yet another link between Kyrgyzstan and Pakistan in addition to the one via Kashgar and Khunjerab.

The two sides agreed that with a view to boosting bilateral trade, they will expedite implementation of the agreement about the grant of most favored nation status and the carrying out of trade in convertible currencies. PTV correspondent Hamid Sayeed Rajput says these agreements were signed during the Kyrgyz president's last visit to Islamabad when he attended the ECO [Economic Cooperation Organization] meet. Prime Minister Benazir Bhutto pointed out that during the last ECO meeting, a road linking Central Asia with Pakistan was identified. This road could pass through Almaty, Bishkek, Kashgar, and Khunjerab. All the countries at that time had agreed to improve this segment of the highway in their respective countries. She said Pakistan has already earmarked \$300 million for upgrading the Karakoram Highway. The Kyrgyz prime minister said his country will also upgrade the part of the road falling in its territory.

Dzhumagulov, Bhutto Discuss Cooperation

*LD2508173295 Moscow INTERFAX in English
1542 GMT 25 Aug 95*

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin; from the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Pakistani Prime Minister Benazir Bhutto and her Kyrgyz counterpart Apas Dzhumagulov met in Bishkek Friday to discuss bilateral cooperation.

The two sides noted their interest in the construction of a Kara-Korum highway to connect Kyrgyzstan and Pakistan via China and give Kyrgyzstan access to commercial ports in the Karachi area, reports an Interfax correspondent. They also considered exports of hydro-energy resources from Kyrgyzstan to Pakistan.

A project to supply equipment to the Kyrgyz pharmaceutical industry is being implemented in Kyrgyzstan. The Pakistani government has allocated \$10 million for this purpose.

The sides considered a possibility to start regular air communication between Islamabad and Bishkek.

Negotiations will continue Saturday to result in the signing of bilateral agreements. Bhutto will attend celebrations marking the 1,000th anniversary of the Kyrgyz Manas epos. She will also visit the Osh town, a regional center in Kyrgyz south to visit Muslim sacred places.

Akayev, Bhutto Speak at Banquet

*BK2608092095 Islamabad Radio Pakistan Network
in Urdu 0200 GMT 26 Aug 95*

[FBIS Translated Text] Prime Minister Benazir Bhutto and President Askar Akayev of Kyrgyzstan have reiterated their resolve to work together for the promotion of bilateral relations in all fields. They were speaking at a banquet hosted in Bishkek by President Askar Akayev in honor of the Pakistan prime minister.

The Kyrgyzstan president offered broad cooperation to Pakistan for mutual benefit on the basis of equality. He expressed satisfaction over deliberations held for mutual cooperation. He said the people of Kyrgyzstan are happy that the visit of Benazir Bhutto coincided with the millennium celebrations of the epic (Manas), the legendary hero of Central Asia. He said (Manas) is not only significant to his country, but very significant to world culture. Central and South Asia for centuries enjoyed close relations and influenced each other, and also mutually enriched their intellectual treasures. President

Askar Akayev said their ancestor Babur moved through the Khyber Pass and founded the Mogul dynasty on the subcontinent. Today, Prime Minister Benazir Bhutto followed the path of Babar in the reverse direction. He said the two countries are now standing on the threshold of a new sphere of cooperation which would lead their people to magnificence on the contemporary level.

Addressing the banquet, the prime minister expressed confidence that her visit would lead to strengthening cooperation in political, economic, scientific, and cultural fields. Benazir Bhutto made it clear that cooperation between the two countries is crucial for the well-being of our region. She, however, pointed out that our vision of a prosperous region would not materialize under conditions of strife and turmoil as they prevail in occupied Kashmir, Tajikistan, Afghanistan. She called upon the international community to urge India to fulfill her commitment under the UN resolutions to resolve the Kashmir dispute.

Bhutto Signs Agreements

*BK2608142495 Islamabad PTV Television Network
in English 1300 GMT 26 Aug 95*

[FBIS Transcribed Text] Prime Minister Benazir Bhutto has said agreements signed today will go a long way in promoting cooperation between Pakistan and Kyrgyzstan.

The prime minister was addressing a joint press conference with Kyrgyz Prime Minister Abbas Dzhumagulov in Bishkek today. She said they discussed economic issues with President Askar Akayev and agreed to implement decisions of the previous ECO [Economic Cooperation Organization] conference. She described her visit to Kyrgyzstan as successful and said it will further cement already cordial relations between the two countries. She said Pakistan is ready to get electricity from Kyrgyzstan provided it is supplied at the rate of 5 cents per unit. She said we briefed the Kyrgyz leaders about the situation in occupied Kashmir and discussed regional issues, including Afghanistan and Tajikistan. Referring to the Karakoram highway, the prime minister said Pakistan's side of the highway will be improved with a view to promote trade between the two countries.

In his statement, Kyrgyz Prime Minister Abbas Dzhumagulov said talks between the two sides were held in complete mutual understanding. Both nations will give most favored nation status to each other in the field of trade. He said Kyrgyzstan will provide considerable amount of energy to Pakistan. Both countries will cooperate in banking, tourism, and trade.

Our representative Kader Moiuddin says political observers of the region are of the opinion that Ms. Bhutto's

visit will give impetus to relations between the two countries because she is admired by the Kyrgyz leadership for her courage and struggle for democracy.

Pakistan and Kyrgyzstan today signed three agreements for mutual investment and cooperation in the power sector. Prime Minister Benazir Bhutto and her counterpart Abbas Dzhumagulov signed the documents. Members of the prime minister's entourage and senior Kyrgyz officials were present on the occasion. The two leaders exchanged documents.

Agreements on reciprocal promotion and protection of investment in both countries were signed by Foreign Minister Sardar Asif Ahmad Ali and his Kyrgyz counterpart Madam Roza Otunbayeva. Leaders of both countries and officials were present.

The third agreements relates to cooperation in the power sector. Special assistant to the prime minister on economic affairs, Shahid Hasan Khan, and energy minister of Kyrgyzstan signed on behalf of their respective governments.

Joint Statement Issued

*BK2608161395 Islamabad Radio Pakistan Network
in Urdu 1500 GMT 26 Aug 95*

[FBIS Transcribed Text] Pakistan and Kyrgyzstan have agreed to cooperate closely to promote peace, disarmament and nuclear nonproliferation in South Asia, and to further strengthen their cooperation. This was stated in a joint statement issued at the end of Ms. Benazir Bhutto's official visit to Kyrgyzstan. The statement says the two countries recognized the existence of a broad scope for a further strengthening of bilateral relations. The two sides agreed to encourage an effective exchange of goods, services, and capital between them.

The joint statement said that the two countries will continue cooperation to study technical, financial, and other aspects for realizing the project of transmission of electricity from Kyrgyz Republic to Pakistan. It also underlined the importance of cooperation in transport for development of economic relations and said that both countries will encourage expansion of air and road transportation. The two sides agreed to conclude in the nearest future inter-governmental agreement on cooperation in the struggle against illicit trafficking in narcotic drugs and psychotropic substances and their abuse.

Dzumagulov, Bhutto Assess Results

*LD2708123195 Moscow INTERFAX in English
1222 GMT 27 Aug 95*

[FBIS Transcribed Text] BISHKEK, Aug 26 (INTERFAX) — Kyrgyzstan's Prime Minister Apas Dzumagulov assessed the negotiations with Pakistan's government delegation headed by Prime Minister Benazir Bhutto as successful.

He underlined at a press conference on results of the talks in Bishkek Saturday that the parties, in particular, reached an agreement on cooperation in the sphere of power engineering and signed an earlier unplanned agreement which gives an opportunity to Kyrgyzstan to export energy resources through China to Pakistan. In addition, they signed an agreement on mutual protection of investments and on fight against drugs transit.

Speaking at the press conference Bhutto pointed to the importance of the signed agreement on mutual protection of investments. She thinks that two countries grant the most favored nation regime to each other for investing capitals in the economy.

As Bhutto said, Pakistan is interested in opening branches of its banks in Bishkek, is ready to procure food products, meat, agricultural products and dry fruits in Bishkek. As she said, Islamabad is also interested in regular air flights of Pakistani companies to Bishkek.

Heads of the governments underlined the importance of implementation of the quadripartite agreement between Kazakhstan, Kyrgyzstan, China, and Pakistan on construction of an international highway which will connect these states and which will be laid from Kyrgyzstan to Karachi, Pakistan's largest city. This will give an opportunity of an access to the southern seas and Pakistan's trade ports to all states of the Central Asia.

Turkmenistan**President Niyazov, Iran's Rowhani Discuss Ties**

*LD2508175695 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian
1630 GMT 25 Aug 95*

[FBIS Translated Text] Issues of mutual interest and expansion of bilateral and regional relations were discussed at a meeting today between Mr. Hassan Rowhani, deputy speaker of the Majles, and Mr. Saparmurad Niyazov, president of Turkmenistan.

According to the Central News Unit, at the meeting, Mr. Rowhani referred to Turkmenistan's gas pipeline project, which will carry gas to Europe via the Islamic Republic of Iran. He stressed that our country was

prepared to cooperate in every way to see the project through.

President Niyazov, on his part, described the project as important and said that the construction of the pipeline will benefit the economy of the region.

The two sides also emphasized the need for the provision of the Caspian Sea's legal regime, as soon as possible.

Mr. Rowhani also met and conferred today with Mr. [Batyr] Sarjayev, deputy president of Turkmenistan [in charge of national security, internal affairs]. He said at the meeting that the Islamic Republic of Iran was prepared to cooperate with Turkmenistan's officials in the fight against narcotics and in training Turkmenistan's law enforcement forces.

Rowhani, Parliament Speaker Confer

*LD2508124895 Tehran IRNA in English
1109 GMT 25 Aug 95*

[FBIS Transcribed Text] Tehran, Aug 25, IRNA — Iranian Majles Vice-Speaker, Hassan Rowhani discussed promotion of Tehran-Ashgabat parliamentary cooperation with Turkmen Speaker of Parliament, Sakhat Muradov Friday.

Rowhani who arrived in Ashgabat Thursday said President Akbar Hashemi-Rafsanjani of Iran and President Saparmurad Niyazov of Turkmenistan have already taken important steps to consolidate Tehran-Ashgabat relations.

Rowhani voiced Iran's readiness to set up parliamentary friendship groups and cooperate with Turkmen parliament within international forums. He also announced Iran's support for membership of Turkmen parliament at the Inter-Parliamentary Union (IPU) and said that Iran is ready to help set up inter-parliamentary groups among the Caspian Sea littoral states and the member states of the Economic Cooperation Organization (ECO).

Muradov welcomed expansion of parliamentary cooperation between Iran and Turkmenistan and said they had always enjoyed Iran's support and hoped that the backing would continue. He voiced his country's readiness to establish inter-parliamentary meetings among the Caspian states and also that of the Economic Cooperation Organization (ECO).

The parliament speaker expressed hope that mutual ties would further bolster once the Sarakhs-Mashhad-Tajan railways is inaugurated.

Rowhani arrived in Turkmenistan on the third leg of his tour of Caucasus and Central Asia. He earlier visited Armenia and Georgia.

Armenia

Azerbaijani Border Attack in Tavush Area Claimed

NC2608200395 Yerevan SNARK in English
0010 GMT 26 Aug 95

[FBIS Transcribed Text] Yerevan, 26 August (SNARK) — Another military incident took place yesterday in the north-eastern part of the Armenian-Azeri border. Defense positions of the Chinari village in Tavush region, Armenia, were shelled by the armoured vehicles and mortars, as well as heavily machine-gunned, the Armenian Defense Ministry spokesman told SNARK.

No casualties or destructions were reported. Armenian combat units shut the enemy by opening a return fire.

All other sections of the Armenian state border remained relatively calm.

Positions Come Under Fire From Azerbaijan

NC2508203195 Yerevan Radio Yerevan International Service in Armenian 1850 GMT 25 Aug 95

[FBIS Translated Text] The Armenian Defense Ministry reported that the one day of relative calm on the Armenian-Azerbaijani border was disrupted last night on the republic's northeastern border. The Azerbaijani Army units opened a 10-minute mortar fire on the defensive positions of Voskepar in Noyemberian region as of 2200. There were no casualties. The Armenian Army units forced the enemy to stop firing. No incidents were registered on the rest of the borders.

According to reports from Stepanakert, the cease-fire is being observed on the Karabakh fronts.

Armenian-Georgian Border Services Discuss Cooperation

LD2508195695 Moscow ITAR-TASS in English
1921 GMT 25 Aug 95

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, August 25 (ITAR-TASS) — Leaders of the border services of Armenia and Georgia discussed various aspects of cooperation in state border guarding.

They met in the Noyemberyan district in the northeast part of Armenia. There, on the junction of the frontiers of the two countries, a brisk trade usually takes place. After the latest terrorist blast, this once lively market is now closed and trade is temporarily terminated.

At their latest meeting the prime ministers of Armenia and Georgia adopted a decision on the demarcation of the state border between the two states, Major-General Levon Stepanyan, head of the Chief department for

guarding the state border of the Ministry of National Security of Armenia, told ITAR-TASS here today.

In accordance with the adopted decision we considered the issues concerning the preparation for this complex work, he noted.

The other main issue at the meeting was the organisation of frontier trade, the general informed. Both sides agreed that it was necessary to exclude an "iron curtain" on the Armenian-Georgian boundary and promote the development of frontier trade and inter-state relations while reliably closing the border to criminal elements.

Karabakh 'General' Denies Cease-Fire Violations

NC2608202595 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0749 GMT 26 Aug 95

["Azerbaijan Wants To Aggravate the Situation?" — ARAGIL headline]

[FBIS Transcribed Text] Stepanakert ("AZG" daily), 08/26/95 — Azeri mass media reported on 24 August, quoting Azeri Ministry of Defense, that the units of RMK [Republic of Mountainous Karabakh] Defense Army violated the cease fire and military operations restarted in several sections of the Karabakh fronts.

First Deputy Commander of the Karabakh army, Head of the republican Military Headquarters Major General Anatoli Zinevich said the declarations of Azeri Defense Ministry was not true and is evidently of provocative character.

"I officially declare that since signing the cease-fire agreement by official representatives of RMK and Azerbaijan on 12 May 1994, the Karabakh side has been strictly obeying the cease-fire agreement. None of our weapons has opened fire in the direction of the Azeri positions since then. On the contrary, the Azeri soldiers have violated calmness several times. Particularly, Karabakh positions near the village of Talish in the Mardakert district were shelled, using hand-held mortars in August. Cease-fire violations were often accompanied by evident 'show of force' — Azeri drills held in the neighborhood of the front line. Such drills were held on 18-23 August, with participation of the command of Azeri Defense Ministry.

"The declaration of the Azeri Defense Ministry has purely political goals of disinforming the world community. I appeal to the Azeri command to refrain from destabilizing the situation declarations, for the sake of preserving fragile peace and for the efficiency of negotiations", he said.

Meanwhile independent observers in the RMK believe the declaration may have had internal political goals.

The Azeri authorities may be trying to use the factor of the external danger for neutralization of opposition on the eve of the elections.

Official Sees No Room for Concessions on Lachin

NC2708073195 Yerevan SNARK in English
0524 GMT 26 Aug 95

[FBIS Transcribed Text] Yerevan, 26 AUGUST (SNARK) — While commenting on the Azeri Foreign Minister's statement that progress in negotiations on Nagorno Karabakh is impossible without solving the problems of Shushi and Lachin, the Armenian Deputy Foreign Minister, Vardan Oskanyan, said that no room for concessions exists on the Lachin issue for Armenia and Karabakh.

The Lachin humanitarian corridor is known to be the only connection Nagorno-Karabakh has with the outer world. It is the lifeline of this republic.

"If Azerbaijan is really interested in progress of talks on Karabakh, it should make concessions on the Lachin issue", said Oskanyan. While Shushi main issue is the return of refugees, Lachin is the key issue of Karabakh's security, he observed. Therefore these problems must be considered separately. Without solving the Lachin problem the talks may really reach a deadlock, said the Deputy Minister, and only the Azeri party will be responsible in this case.

Democratic Party Criticizes Treatment of ARF

NC2408125695 Yerevan NOYAN TAPAN in English
1745 GMT 23 Aug 95

[FBIS Transcribed Text] 23/08/95 NOYAN TAPAN — "Despite the principles of Declaration of Independence of Armenia the development of society followed the way of autocracy and establishment of administrative-bureaucratic rule. The elections and referendum were held with flagrant violations and forgeries which cast doubt on their fairness," the August 23 statement by the Democratic Party of Armenia [DPA] reads.

According to authors of the statement, "The arrest of ARF [Armenian Revolutionary Federation] figures, in particular, ARF Bureau's member Vahan Hovhannesian, displayed that the authorities transform the political competition into a dangerous political confrontation, undermine the moral-psychological atmosphere in the society, excluding the possibility of national accord. These actions split the diaspora and endanger its relations with the Motherland."

According to DPA leadership, "one of the signs of the current heavy situation is the statement by the ARF Bureau to the effect that this organization "have to stop

its efforts aimed at resumption of ARF activities in Armenia which corresponded to the Armenian law."

The DPA, being deeply concerned over the created situation, appeals to the Armenian President, calling upon him "to display political breadth of thinking, to use all his powers for ceasing the confrontation and creating all the conditions corresponding to democratic and lawful norms in order to provide political activities of the ARF in the Motherland." Otherwise, "endless threats towards the Party which has indisputable merits in the issue of maintaining the Armenian nation can yield undesirable results."

ARF Trial Defendant Repudiates Prior Statements

NC2608203195 Yerevan ARAGIL ELECTRONIC
NEWS BULLETIN in English 0749 GMT 26 Aug 95

[FBIS Transcribed Text] Yerevan ("LRAGIR" daily), 08/26/95 — Recent session of the trial was completely dedicated to the evidences of the defendant Arsen Artsruni who insists that the evidences he provided under pressure during preliminary investigation were not true.

Artsruni rejected the existence of so-called Security Council within the structure of ARFD [Armenian Revolutionary Federation-Dashnaksutyun]. He also refused [denied] the charge for illegal drugs smuggling. Mr. Artsruni has stated in detail on what versions have the KGB [Committee on State Security] and Prosecutor's Office discussed, in order to fabricate a criminal case. He added that, in order to prove that the case was fabricated, it would be sufficient to answer the 24 questions he stated to the Prosecutor's Office. According to the defendant, neither KGB nor the Prosecutor's Office may answer these questions, which proves the case was fabricated.

Artsruni believes this case was "ordered" to the Security bodies by the presidential speech of 28 December. Still, even specially prepared experts were not able to resolve the problem within short time.

Based on the request of Mr. Artsruni and his defendant [lawyer], the next session will be held on Tuesday [29 August]. They need this break in order to get acquainted with some materials and coordinate their strategy.

Suspect Arrested for Iranian Truck Driver's Murder

NC2608204695 Yerevan ARAGIL ELECTRONIC
NEWS BULLETIN in English 0749 GMT 26 Aug 95

[FBIS Transcribed Text] Yerevan ("AZG" daily), 08/26/95 — In 12 days after the murder of Iranian truck driver Mr. Irajpur Mirzabek on the Goris-Kapan highway, Soghomon Kocharyan was arrested.

29 year old Soghomon Kocharyan is a refugee from Baku, he has been imprisoned twice. The details and motives of crime have not been revealed so far. Investigation of the case is being carried out by Inspector of Most Important Cases Mr. Albert Margaryan.

Department Heads Fired Over Assassination

NC2508152195 Yerevan ARAGIL ELECTRONIC
NEWS BULLETIN in English 0157 GMT 25 Aug 95

[FBIS Transcribed Text] Yerevan 08/25/95 — Heads of Goris and Kapan Interior Departments, Moushegh Khoyulunts and Edik Barseghyan have been fired, probably in regard with assassination of an Iranian truck driver on the Goris-Kapan highway.

Those guilty in the murder has not been revealed so far. Samvel Hunanyan and Mher Ayvasyan were assigned as new heads of Goris and Kapan Interior Departments correspondingly.

Deputy Minister of Justice Appointed

NC2508141395 Yerevan ARAGIL ELECTRONIC
NEWS BULLETIN in English 0158 GMT 25 Aug 95

[FBIS Transcribed Text] Yerevan 08/24/95 — Deputy Chairman of Central Electoral Committee Gagik Jahangiryan was promoted as First Deputy Minister of Justice on 21 August. Former deputy minister Levon Avetisyan has been dismissed.

Mr. Jahangiryan formerly worked as a department head in the same ministry.

Azerbaijan

U.S. Negotiator Arrives for Nagorno-Karabakh Talks

Gasnov on U.S. Role in Talks

NC2608191395 Baku TURAN in English
1413 GMT 25 Aug 95

[FBIS Transcribed Text] Baku/25.08.95/TURAN — Today Azerbaijani Foreign Minister Gasan Gasanov received U.S. special negotiator for Nagorno-Karabakh in the OSCE Minsk group Joseph Presel and the U.S. representative in the OSCE Sam Brown. Joseph Presel said that the first reason of his arrival in Baku was the hospitality by Azerbaijanis, and the will by the U.S. Administration to activate the work on the settling the Armenian-Azeri conflict was the second reason. "My appointment as special negotiator for Nagorno-Karabakh demonstrates the intention of the U.S. to speed up the activities on the settlement of the conflict," Presel said. According to the U.S. diplomat it is such a moment now when the conflict can be resolved. "If

that does not occur in the near future the situation will change to worse," Presel noted.

He advised the Minister Gasanov to use three forthcoming events to obtain peace: meeting of the foreign ministers in September at the UN General Assembly and in Budapest at the conference of the OSCE, as well as the meeting in New York devoted to the 50th anniversary of the UN. These meetings must be used for promotion in the settlement the conflict. Not using of these opportunities may turn to be a tragedy," Presel noted.

Sam Brown, in his turn, said that very tense work for finding out the ways for the resolution of the conflict is being carried out in the head-quarter of the OSCE in Vienna. Brown noted that the OSCE was interested in creation in Azerbaijan a democratic and free society.

Gasan Gasanov did not conceal his disappointment with the position of the American diplomat. "I expected that the appointment of Joseph Presel as the negotiator will sharply revive the activities of this structure of the OSCE. But if Mr. Presel considers that the fate of the Karabakh conflict will be resolved at the above mentioned meetings, he belittles the fact of his appointment. I think that as the U.S. Government has risen its participation in the Minsk group till the level of the special negotiator, it relied not on the discussions of the ministers, it wanted the negotiator to deal with this problem himself.

The Karabakh conflict cannot be resolved at the discussions, it can be resolved within the frameworks of the Minsk group with more active participation of the countries and, in particular, personal representative of the U.S. President in the Minsk group Joseph Presel," Gasanov noted.

"The tragedy will be if the members of the Minsk group do not understand their responsibility. We believe the Minsk group and hope that Mr. Presel will work more active in this structure, because we believe [in] the U.S. and the President Clinton," Gasanov noted.

"Regarding the settlement of the conflict some key moments have to be solved. We think that the parties have reached the consensus on the content of the key problems and now we have to agree the sequence of these problems. If we manage to agree the sequence of key problems during the present visit by Mr. Presel, it will a step forward," Gasanov said. "The first problem is liberation of Shusha and Lachin cities," Gasanov notes.

According to diplomatic sources Azerbaijan proposes the next sequence in the settlement of the Armenian-Azeri conflict:

After signing the Major Political Agreement, with promotion of the OSCE and under their control, functioning of the road Khankendi [Stepanakert]-Shusha and Lachin-Goris should be provided. Then, during a certain period, full withdrawal of the occupational Armenian troops from Lachin and Shusha regions will take place. Military control of the OSCE will be preserved during the whole term of the work of the Minsk Conference. The return of displaced people to Lachin and Shusha regions will take place on the fixed day.

Aliyev Meets U.S. Negotiator

NC2608192995 Baku TURAN in English
0953 GMT 26 Aug 95

[FBIS Transcribed Text] Baku/26.08.95/TURAN — "I haven't brought new U.S. plan for settlement of the Armenian-Azerbaijani conflict with myself in the pocket. However, I have been given the powers to activate my activities in the OSCE Minsk Group and promote attraction of the parties in more dynamic dialogue", the U.S. special representative to the talks on settlement of the Armenian-Azerbaijani conflict, Joseph Presel, said during the meeting with President Aliyev.

At the beginning of the meeting they exchange humorous remarks.

"If you have nothing in the pocket, it doesn't mean absence of new ideas and thoughts on the settlement issue. Who knows maybe during discussions Mr. Presel will take something out of the pocket", President Aliyev.

"No, Mr. President, my pocket is empty", Mr. Pressel said in Turkish. "O.K. We will fill the pocket then", President Aliyev responded.

Joseph Presel said the U.S. Ambassador to the OSCE, Sam Brown, accompanies him in his visit to the region and he intends to familiarise himself with the possibility of attraction of the OSCE peace-keeping troops in settlement of the conflict. "The U.S. is confident not all possibilities for peace settlement of the conflict were used and the American Government is interested in its prompt settlement", Mr. Pressel said.

Mr. Sam Brown noted the OSCE is watching over the peace-keeping process in the region. He also pointed out the ideas of the OSCE on deployment of the peace-keeping troops in the Armenian-Azerbaijani conflict zone are slowly developed among 52 members of this organization.

Addressing to the forthcoming Parliamentary elections in Azerbaijan, Mr. Brown highly assessed Baku's appeal to the OSCE to send its observers. "We will surely respond to this appeal and send our representatives before the elections so they could familiarize with

the situation, help to organize elections and participate in them as the observers", he said. He believes the OSCE and the U.S. are interested in establishment of democratic and free society in Azerbaijan.

President Aliyev once again acknowledged Azerbaijan's intention to settle the problem peacefully by means of political negotiations. "Observation of the cease-fire for more than 15 months testifies to that", he noted. Azeri President also mentioned Azerbaijan wishes settlement of this conflict only within the framework of the OSCE and the Minsk Group. He said those who said the OSCE cannot have the peace-keeping troops, actually intended to eject the U.S. and the OSCE from the peace-keeping process.

Then the meeting continued without the journalists.

Aliyev Urges Talks on Shusha, Lachin

LD2608214295 Moscow Radio Rossii Network
in Russian 2000 GMT 26 Aug 95

[FBIS Translated Text] Azerbaijani President Geydar Aliyev considers it necessary to start talks on a Karabakh settlement with a discussion of the return of Shusha and Lachin. He said this at a meeting in Baku with Joseph Presel, U.S. special envoy to the Minsk group of the Organization for Security and Cooperation in Europe.

Gasnov: CIS Security Treaty 'No Guarantee'

LD2508152395 Moscow INTERFAX in English
1028 GMT 25 Aug 95

[FBIS Transcribed Text] BAKU, Aug 25 (INTERFAX) — Azerbaijani Foreign Minister Gasan Gasanov said that today's CIS collective security system is no guarantee for its members, in particular Azerbaijan.

Gasnov told INTERFAX that Armenian occupation of Azerbaijani soil, both countries being parties to the CIS Collective Security Treaty, proves his point.

Azerbaijan believes that the treaty should provide for steps taken against one party to the treaty committing an act of aggression against another, Gasanov said.

In his words, "we hear that an attack of one party to a treaty by another is unprecedented. Such remarks are especially hurting while UN Security Council resolutions confirm the occupation of a large Azerbaijani area by another country."

Gasnov said that the occupation of 20% of Azerbaijan by Armenian forces influences the Azerbaijani view of relations with Russia in the military field. "We would like to have a more coherent idea about the Russian position on the Armenian aggression against Azerbaijan

and occupation of part of Azerbaijani territory and the need to withdraw Armenian troops from Azerbaijan," Gasanov said.

In his view, the Russian government or mass media have no evidence of Azerbaijan moving weapons to Chechnya.

Gasanov Statement on Oil Route, Russian Policy

TA2608162195 *Ankara ANATOLIA in Turkish*
1420 GMT 26 Aug 95

[Report by Izzet Dagistanli]

[FBIS Translated Text] Baku (AA) — Azerbaijani Foreign Minister Gasan Gasanov has declared that his country promised that the pipeline, which will transport Caspian oil, will reach Europe via Turkey and this promise will be kept.

In a statement to an ANATOLIA correspondent, Gasanov noted that his country wants Azerbaijani oil to be transported to Europe via Turkey and added: "It is essential for Azerbaijan that the pipeline reach Europe."

Gasanov recalled that two routes are currently being discussed with regard to the early oil transportation. Asked "which of these routes Azerbaijan finds economically more attractive," Gasanov responded: "Politics are closely connected to economics. It would be wrong not to attach a country's foreign policy to its economy."

Gasanov stated that when Azerbaijan's economy becomes stronger and stability is achieved, his country will carry weight in the international arena; and this, in turn, will contribute to the solution of the problem with Armenia.

Gasanov reported that all the problems except Susa and Lachin have been resolved during the talks between Azerbaijan and Armenia. He noted that the Armenians do not want to withdraw from Susa and Lachin, but Azerbaijan cannot concede on this matter. Gasanov added: "The whole world knows that these territories belong to Azerbaijan. The Armenians should withdraw from Susa and Lachin."

Referring to a recent statement by Russian Deputy Foreign Minister Chernyshev on the status of the Caspian Sea, Gasanov said: "It does not become him to speak like a soldier."

Recalling that Azerbaijan has its own section in the Caspian Sea, Gasanov noted that his country has the right to drill for oil and conduct other activities in this section. Gasanov announced that Azerbaijan is also ready to discuss the status of the Caspian Sea, but stressed that this issue is not related to the agreement

signed with the international oil consortium, of which a Russian firm is also a part.

Gasanov said: "Chernyshev is making such statements at a time when Russia is discussing the pipeline route with Azerbaijan. There is a contradiction between the real policy of the Russian Government and Chernyshev's remarks."

Gasanov emphasized that in addition to oil and natural gas, Azerbaijan wants to develop cooperation with Turkey in every field. The Azerbaijani minister said that the economic ties established so far between the two countries are inadequate, adding that they should be raised to a level befitting the closeness between the two peoples.

Gasanov also condemned PKK [Workers Party of Kurdistan] terrorism.

Karabakh Rejects Claims of Cease-Fire Violation

LD2708131395 *Moscow INTERFAX in English*
1109 GMT 27 Aug 95

[FBIS Transcribed Text] YEREVAN, Aug 26 (INTERFAX) — The chief-of-staff of the self-proclaimed Nagorno-Karabakh republic Major-General Aleksandr Zinevich dismisses as "groundless" the Azerbaijani Defense Ministry's statement on a ceasefire violation. Baku accused Karabakh forces of violating the ceasefire.

In an interview with the newspaper Azg of the Armenian Liberal-Democratic Party, Zinevich described the Azeri accusation as "provocational." "Ever since May 12, 1994, when the ceasefire agreement was sealed by plenipotentiary emissaries of Azerbaijan and the Nagorno-Karabakh Republic, Stepanakert has been showing full respect of that document," Zinevich said, but "it was more than once and often with a bit of muscle-flexing, that Azeri units violated the ceasefire."

Azeri units hold exercises in the immediate vicinity of the zone of the Karabakh conflict, and even the Karabakh border, Zinevich said.

The Azerbaijani Defense Ministry "is pursuing a political end and aiming to misinform the international community." Zinevich urged the Azerbaijani military to "refrain from making destabilizing statements for the sake of the fragile ceasefire and contribute to the negotiating process."

The next round of negotiations in the context of the Minsk group of the Organization for Security and Cooperation in Europe is to be held in Moscow on September 4 through 12.

Popular Front Elects Elchibey Chairman*NC2708131195 Baku TURAN in English
1311 GMT 26 Aug 95*

[FBIS Transcribed Text] Baku/26.08.95/TURAN — Constituent congress of the Party Azerbaijan's Popular Front [PAPF] took place today. That congress of PAPF was called for the purpose to make the documents of the PAPF in conformity with the legislation. 171 of 287 delegates from 75 regional branches participated in the work of the congress.

The congress made amendments in the Charter of the party in conformity with demands of the Ministry of Justice of the republic. "If the Ministry of Justice does not register us, that will confirm the fact that we are exposed to political pressure," Deputy PAPF Ali Kerimov said. He said that the employees of the Ministry of Justice were invited to the congress but they did not attend the congress.

Abulfaz Elchibey was unanimously elected the Chairman of the Party. The delegates confirmed the membership of the Supreme Mejlis of the PAPF and elected the members of the revision commission.

Roundtable Decides Not To Boycott Elections*NC2708075995 Baku TURAN in English
1311 GMT 26 Aug 95*

[FBIS Transcribed Text] Baku/26.08.95/TURAN — A session of the "Round Table" of political parties took place today. Only one question was discussed — the participation of the parties in the forthcoming parliamentary elections. It was adopted by majority of voices "not to boycott parliamentary elections at the present stage."

Participants of the session noted that the most serious opponents of the members of the "Round Table" are the parties "New Azerbaijan" and "National State". Cooperation with them can take place only for providing the democratic elections.

The members of the "Round Table" decided to nominate the same candidates in all districts. "If that is not possible, it would be necessary to address against trade-economic Mafia and the candidates of the leading nomenclature," reads the recommendation of the session.

The "Round Table" unites 21 political parties most of which are in the opposition towards the authorities.

Former KGB Chief, Defense Officials Arrested*NC2608185295 Baku TURAN in English
1324 GMT 25 Aug 95*

[FBIS Transcribed Text] Baku/25.08.95/TURAN — The former Chief of Azerbaijan's KGB, Colonel Vladimir Mirzoyev, has been recently arrested in Baku. The members of his family said they do not know the reasons of arrest and the whereabouts of Vladimir Mirzoyev. The Ministries of Interior and National Security as well as the Prosecutor's Office told TURAN that they know nothing about the arrest of Mirzoyev. As the credible source told, Mirzoyev was arrested by the bodies of the military Prosecutor's Office.

As far as the motives of the arrest are concerned, the experts think Mirzoyev could have been connected with those circles, which are charged with organisation of the "coup of Generals". As was earlier reported, Mirzoyev was awarded with the order during the tragic events of January 1990. After the PFA [People's Front of Azerbaijan] came to power in 1992 he was relieved from the Ministry of National Security.

The arrests of several high-ranking officers of the Defence Ministry are logically connected with the arrest of Mirzoyev. The Deputy Chief of the General Headquarters of the Defence Ministry, Rasim Muhtarov, and the employee of one of the managements of the Defence Ministry, Colonel Ilham Aslanov, were arrested yesterday.

The credible sources told TURAN Muhtarov was appointed to his post in 1992 by Shahin Musayev, who is now charged with organisation of the plot. Ilham Aslanov is considered the person of ex-Premier, Suret Guseynov, in the Defence Ministry.

The cleaning is continued in the Defence Ministry. Yesterday the Colonel Nagiyev was relieved from the office of the Chief of Mobilisation Management of the Defence Ministry and the reasons of his relief are unknown.

The sources report the arrests and the cleaning will not stop.

Georgia**Abkhazians Urge Russia To Break With Ardzinba***LD2708153895 Tbilisi Radio Tbilisi Network
in Georgian 1400 GMT 27 Aug 95*

[FBIS Translated Text] The press service of the [Tbilisi-based] Supreme Council of Abkhazia has issued a protest statement in connection with the activity of the mission of the so-called republic of Abkhazia in

Moscow. The statement says that despite repeated appeals, [Abkhaz leader Vladislav] Ardzinba's representatives continue their illegal activity at the Russian Foreign Ministry without proper accreditation. The press service hopes that the Russian Foreign Ministry and other relevant agencies will take the necessary measures to stop the activity of the Abkhaz mission.

Abkhaz Parliament Head Urges Military Settlement

LD2508114595 Moscow INTERFAX in English
1028 GMT 25 Aug 95

[FBIS Transcribed Text] TBILISI, Aug 25 (INTERFAX) — Georgian Deputy Prime Minister and chairman of the pro-Georgian parliament of the Abkhazian autonomous republic Tamaz Nadareishvili has called for a military settlement of the Abkhazian problem.

"If Georgia is something as a state, it must take courage and use military force," Nadareishvili told INTERFAX Friday.

He thinks it senseless to continue negotiations on Abkhazian peace settlement, whose regular round is scheduled for August 29 in Moscow. "After the recent clear statement of the Abkhazian separatist government that negotiations must be conditioned on Abkhazian recognition as a state equal to Georgia, there is nothing more to speak about," he stressed.

Judging by international experience "the separatism problem cannot be settled without force, and Russian actions in Chechnya, Turkish actions against the Kurds and Croat actions against the Serbs are vivid examples of this," said the deputy prime minister.

"I am sure that the international community will welcome the restored territorial integrity of Georgia, if Georgia uses force against Abkhazia," said Nadareishvili.

Abkhazia Accused of 'Delaying' Settlement

LD2508164695 Tbilisi SAKINFORM in Russian
1020 GMT 25 Aug 95

[FBIS Translated Text] The Supreme Council and the Council of Ministers of the Autonomous Republic of Abkhazia, based at present in Tbilisi, have disseminated a joint statement, which says in particular that a settlement of the Abkhazian issue is being unjustifiably hindered by the Abkhaz side. This has once again been confirmed by the decision of the Abkhaz parliament deputies to reject a draft memorandum on settling the conflict, suggested by Russia. Moreover, "a group of ambitious separatists rejected a possibility of Abkhazia's joining Georgia as a subject of a federation."

The statement further says: "The Supreme Council and the Council of Ministers of the Autonomous Republic of Abkhazia state once again that the Abkhaz side, which unlawfully declared itself an independent state and elected its so-called president, who is guilty of ethnic cleansing and genocide of the ethnic Georgian population, is deliberately dragging out the process of negotiations and delaying a peaceful settlement of the conflict. Equivocality of their policy leads to the further confrontation and the possible unleashing of a military conflict. Therefore, it should be denounced by Russia and the whole world community without hesitation."

Head of Georgian Military Observers Named

LD2608114795 Tbilisi Radio Tbilisi Network
in Georgian 1110 GMT 26 Aug 95

[FBIS Translated Text] The press service of the Georgian Defense Ministry reports that, in accordance with an order issued by the Georgian defense minister, staff changes have been made in the leadership of the Georgian team of military observers within the peace-keeping forces in Abkhazia. Namely, Major General Dula Abashidze has been replaced by Colonel Tengiz Oshkhereli as commander of the Georgian military observers.

Villagers Condemn Cross-Border Raids by Armenians

LD2608182495 Tbilisi Radio Tbilisi Network
in Georgian 1700 GMT 26 Aug 95

[FBIS Translated Text] An important meeting took place today at the Culture House in the village of Qachaghani in Marneuli district.

Open aggression from Armenian territory against border villages has been going on for several years. Armed bandits have been stealing cattle and, occasionally, even killing people.

At the initiative of the Georgian Union of Citizens, Levon Khachatryan, Armenian ambassador extraordinary and plenipotentiary to Georgia, has been invited to the village of Qachaghani, which is populated by Azerbaijanis. The meeting was attended by Lasha Mindeli, deputy of the representative of the head of state to the Kvemo Kartli region, Besik Oboladze, head of Marneuli district administration, and others.

The population demands that the ambassador convey information on what is happening there to the Armenian government, so that the latter can take radical measures to improve the situation.

Tbilisi Enacts Law on Foreign Investments

LD2508195495 Moscow INTERFAX in English
1826 GMT 25 Aug 95

[FBIS Transcribed Text] TBILISI, Aug 25 (FIA-INTERFAX) — A new law on foreign investments signed by Georgian leader Eduard Shevardnadze last Monday came into force Friday.

The chairman of the parliamentary commission for economic issues, Mevlud Tsiklauri, told INTERFAX's Financial Information Agency that the new law granted foreign investors more privileges. In part, the state will guarantee the payment of compensations to non-resident investors in the case of force major. Government and independent experts will determine the size of compensation in any currency the investor finds suitable. However, the investor will not be able to appeal against the size of compensation through the court.

The document preserves guarantees for already operating foreign investors for five years even if the eventual legislative changes worsen the investment regime. In addition, the law grants various taxation privileges to enterprises with partial foreign participation.

The previous law on foreign investments had been adopted on August 25, 1991.

South Ossetian Refugee Problem Reviewed

954F3201A Nalchik SEVERNY KAVKAZ in Russian
19 Aug 95 No 33, p 5

[Report by O. Kusov: "For Ossetians From Georgia, the Sun Rises, As Before, in the North"]

[FBIS Translated Text] According to information of Boris Chochiyev, leader of the Committee for Exter-

nal Ties, Interethnic Relations, and Migration of the Republic of South Ossetia, approximately 70 percent of South Ossetia natives living in North Ossetia could return home, but are in no hurry to do so. The rest want to return, but no longer have accommodations here. Some 6,500 involuntary South Ossetian immigrants currently live in the Republic of North Ossetia-A altogether. Of these, approximately 30 percent have already purchased living quarters and a Russian residence permit. But the return of everyone to South Ossetia today is an exclusively voluntary matter, inasmuch as international human rights pacts permit everyone to independently choose his place in the sun. The sole civilized regulator—economic interest—is clearly not as yet in favor of South Ossetia. The official position of Vladikavkaz and Tskhinvali remains unchanged—refugees from interior districts of Georgia and South Ossetia should set up their life back home. Even the Republic of North Ossetia-A Migration Office is not, following a mutual arrangement with its colleagues from the Republic of South Ossetia, registering natives of South Ossetia as refugees.

The situation concerning refugees from the interior districts of Georgia is different. There are approximately 30,000 of them in the Republic of North Ossetia-A. They were driven from Georgia by interethnic instability, and they are being kept out by economic instability. Working on kolkhozes and selling their wares on the Vladikavkaz market, the Ossetian refugees from Georgia make, as a rule, more money in a day than they could make in a month of work at home. So migration continues in a northward direction.

Estonia

Meri on Talks With German Defense Minister

WS2508143895 Tallinn Ministry of Foreign Affairs
Press Release in English 1037 GMT 25 Aug 95

[Translation of interview with Estonian President Lennart Meri by the daily EESTI PAEVALET on 24 August — received via Internet E-LIST]

[FBIS Transcribed Text] [Question] What do you see as the most important aspect of Mr. Ruehe's visit?

[Answer] The most important thing is that it took place. This made it possible for us to exchange opinions frankly and in great detail. The visit gave me a chance to explain to German Defence Minister where Estonian interests lie and how they manifest themselves: I could assert that Estonia cannot stay aside from the enlargement of NATO, nor could it just wait for a rosy future.

Regions of different security levels should not appear in Europe. Therefore we stress and press for the starting of an exchange of opinions concerning the building of an all-European security system, which should lead to a result satisfying all parties — to an equal degree of security.

[Question] Are there any differences of opinion inside NATO concerning its enlargement?

[Answer] I have not heard about any differences of opinion concerning the enlargement of NATO inside of it. As far as I know, NATO is not yet able to start negotiations with the countries interested in the enlargement of NATO. At present the member-countries of NATO are only discussing how this issue should be approached. Naturally, this process should be closely followed because it is possible that significant switch levers can be rearranged now.

[Question] How would you comment on the articles published in today's FRANKFURTER ALLGEMEINE ZEITUNG?

[Answer] This leading German newspaper shows that German Foreign Minister Klaus Kinkel shares our views and rejects any changes in the security in the Baltic Sea region, which could decrease the security level of the Baltic countries. We are grateful to him for such an attitude. When it comes to NATO's enlargement it should proceed from the criteria determined in its 1949 Washington Constituent Treaty, namely, a common respect of democratic principles and readiness to defend these principles in case of need. Estonia is ready for that. NATO would damage itself if it implied the existence of something, that could be called "near abroad" from its own perspective. West would betray itself by that.

We take upon ourselves to avert such a misfortune from the West.

Peacekeepers To Return From Croatia

WS2508143795 Tallinn BNS in English
1000 GMT 25 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 25, BNS — EstPla-1, the infantry platoon of the Estonian peacekeeping company, which served over six months in the composition of the Danish peacekeeping battalion in the Krajina crisis area of Croatia will arrive in Tallinn at 11:30 a.m. on Friday [25 August].

The 24 peacekeepers who took up their mission in Krajina on 16 February, will be brought home by a Danish air force aircraft.

Sixteen men of EstPla-1 wanted to continue service for one more term, in the composition of the second Estonian peacekeeping platoon EstPla-2 despatched to Croatia on Tuesday. Six peacekeepers are in fact continuing their service in Croatia.

Talks With Russia Focus on Border Crossings

LD2608110695 Tallinn Radio Tallinn Network
in Estonian 1000 GMT 26 Aug 95

[FBIS Translated Excerpt] Representatives of the Estonian and Russian foreign ministries have held a 2-day meeting in Tartu. Over to Marika Petti.

[Petti] The two sides discussed the procedure for border crossings by both countries' citizens and the way the legal aid agreement is to be implemented. [passage omitted] Mart Piiskop, head of the Estonian delegation and head of the Estonian Foreign Ministry's Consular Department, will describe now how the talks progressed.

[Begin Piiskop recording] This time nothing specific was signed; simply (?outstanding) issues were discussed, everyday border issues, and altogether issues to do with mutual travel, with Estonian citizens travelling to Russia and Russian citizens travelling to Estonia. In my view this forms a long-term and (?general) subject for our consular consultations.

Some projects have been talked about and discussed, dealing with the return of undesirable persons, and the return of persons who arrive in either country illegally was discussed. They stand as broader issues on their own because, in the Russian Federation, for example, the Justice Ministry, the prosecutor general's office, and the Ministry of Internal Affairs deal with the issue of [words indistinct] persons. To arrive at a concrete result will take quite some time (?before projects can be agreed upon).

Next consular consultations: according to our initial agreement, they will take place either in Kaliningrad or in Petrozavodsk, hopefully at the beginning of October or the end of September. [end recording]

Conference Explores Tartu Treaty, Border Issues

*WS2508120995 Tallinn ETA in English
0840 GMT 25 Aug 95*

[From 25 Aug EESTI SONUMID, p 3; "News Bulletin" No. 168/95]

[FBIS Transcribed Text] Friday, August 25 — A three-day international conference "Border Problem With Russia" began yesterday in Polva. The conference was organized by the Jaan Tonisson Institute in cooperation with the Association Petserimaa, support was given to the event by the Open Estonian Foundation and Swedish Embassy in Tallinn.

The reports on the opening day concentrated on the historic and legal aspects of the problem. Anatoli Trynkov from the Russian Institute of Strategic Surveys declared Tartu Peace Treaty was not valid anymore and Estonian nationalists' talk about the matter only causes an alogical reaction from the Russian extremists. "Our common history is not especially rich in compromises", Trynkov said. "To mention two of them, one is the Tartu Peace Treaty and the other the withdrawal of the Russian army from Estonia". Trynkov expressed fear Estonia would use the recognition of Tartu Peace Treaty by Russia for deportation of the Russians in Estonia. He also said Russia was ready for several compromises except for a compromise over the border line. "The present Russia does not carry any responsibility for the earlier actions of Stalin and Brezhnev in Estonia", Trynkov concluded his report.

Today the participants of the conference visit the Estonian-Russian border area.

ESRP Votes To Merge With Fatherland Party

*LD2608163095 Tallinn Radio Tallinn Network
in Estonian 1400 GMT 26 Aug 95*

[FBIS Translated Text] Members of the Estonian National Independence Party, ESRP, at their assembly unanimously approved the resolution to merge with the National Fatherland Party. One hundred and one ESRP members voted in favor of the resolution on the merger of the ESRP and Fatherland, two abstained, and none voted against. The draft agreement on the merger of the two parties won almost as much support. The draft agreement on the ESRP and Fatherland merger was drawn up by Juri Adams, an ESRP member and ex-justice minister, with additions from Tunne Kelam, the ESRP chairman, and Fatherland chairman Mart Laar.

The agreement's preamble notes that with the merger of the ESRP and Fatherland, national interests will be observed and the intention is to create a new, united and effective center-right party.

The two parties will ultimately merge only when the Fatherland assembly endorses both the resolution on the merger and the agreement, and the two parties' combined assembly endorses the new party's program and constitution and elects a party (?leadership). After the merger all the ESRP and Fatherland members will be automatically counted as members of the new party, with the exception of those who do not wish this. The merged party will take on all the current commitments of the ESRP and Fatherland.

Until a combined assembly is convened, the new party will be led proceeding from the alliance agreement concluded between the ESRP and Fatherland in May, BNS reports.

Latvia

Soldiers To Join Danish Peacekeepers in Croatia

*LD2508173495 Moscow INTERFAX in English
1622 GMT 25 Aug 95*

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] Riga, Aug 25 (INTERFAX) — A group of Latvian volunteer soldiers on Thursday left for Copenhagen, from where it will proceed to Croatia as part of a Danish peacekeeping battalion, a media spokesman for the Latvian Defense Ministry said.

The decision to send peacekeepers to the Balkan country was approved by Latvia's parliament on August 17.

The Latvian troops are to stay in Croatia for 10 weeks to three months, the spokesman, Janis Podins, told INTERFAX.

He said it was not clear, however, when the Danish-Latvian contingent would arrive in Croatia.

The Latvian soldiers started to be trained for the operation last May.

Parliament Supports Ratification of Euro Agreement

*WS2508125595 Tallinn BNS in English
1649 GMT 24 Aug 95*

[FBIS Transcribed Text] Riga, Aug 24, BNS — The Latvian parliament in principle supported Thursday [24 August] ratification of the Euro Agreement between the Baltic country and the European Union.

The agreement was signed July 12 to promote trade and harmonious economic relations between Latvia and the E.U. member countries and to encourage the Latvian economic development.

Under the agreement, Latvia will be an associate partner of the EU up to Dec. 31, 1999 as the longest.

Political Association of Economists member Janis Lucans was the only lawmaker to voice concern over too rapid integration of Latvia into the EU was.

The ratification was opposed by deputies of the Equality of Rights faction.

The parliament plans to pass the agreement as urgent in two readings.

The agreement has still to be ratified by parliaments of all EU member countries.

Official Accused of 'Sabotage' Defends Position

*LD2508154895 Riga Radio Riga Network in Latvian
1200 GMT 25 Aug 95*

[FBIS Translated Text] The former president of the Baltija bank, Talis Freimanis, who is accused of sabotage, has, in an open letter to Prime Minister Maris Gailis and President of the Bank of Latvia Einars Repse, called on them to acknowledge that the charge against him has been made without justification. In the letter Freimanis denies the charge laid against him.

The charge is that Freimanis acted consciously to undermine the financial system from 1992 until May this year. The corollary is that the government and the Bank of Latvia looked on complacently while Talis Freimanis wrecked the country's financial system.

Freimanis points out that the Baltija bank only started developing its network of branches in 1993 — moreover, with the assent of the Bank of Latvia. The Baltija bank attracted deposits from companies and individuals in accordance with the licence issued by the Bank of Latvia, and under its supervision. The Bank continually monitored its bookkeeping and credits, and there were no negative findings about those in the audit documents issued by the Bank of Latvia.

Since Freimanis was only the administrative director of the bank, and not a shareholder, he had no opportunity to increase or decrease the basic share capital of the joint stock company. Thus there is no basis, in his view, for the charge of fictitiously increasing the bank's capital. Referring to the cession agreement between the Baltija bank and the Intertek bank, in his letter Freimanis reviews some of the advantages of this agreement. What was ceded were only bad credits, to an amount of 51 per

cent of the Baltija bank's credit portfolio, or 80 million lats.

As it had been intended to replace the ceded credit portfolio with long-term foreign currency bonds from the Russian central government, then in 2008, after they were paid off, the Baltija bank would have got back its credit portfolio for a sum of 136 per cent of its value. It was Intertek, not the Baltija bank, that did not fulfil the terms of the cession agreement.

Parliament Passes Laws on Securities, Insurance

*WS2508131895 Tallinn BNS in English
1649 GMT 24 Aug 95*

[FBIS Transcribed Text] Riga, Aug 24, BNS — The Latvian legislature passed Thursday [24 August] packages of basic laws on securities market and insurance activities.

The five securities-related laws will regulate the operation of the securities market, the Stock Exchange, and the Central Depository.

The new legislations also provide for the setup of a Securities Market Committee to follow the market development and pursue implementation of the laws.

The registered capital and own capital of securities brokerages may not be smaller than 30,000 lats, under the laws. In the fourth year after the law takes effect, the own capital should be 100,000 lats.

The four laws in the insurance package focus on the improvement of supervision of insurance companies by creating a licensing inspectorate.

Under amendments to a law on insurance, the registered capital of life insurance companies should be no smaller than 1 million lats, while other insurance companies should have at least 500,000 lats in registered capital.

The new registered capital standards comply with the European Union requirements, said Budget and Finance Committee head Ojars Kehris.

Kehris prognosticated a decrease in the number of insurance companies in view of the increased norms.

Currently, there are around 40 insurance companies in Latvia.

Lithuania

Slezevicius To Discuss CEFTA With Poland's Oleksy

*WS2508130095 Tallinn BNS in English
1912 GMT 24 Aug 95*

[FBIS Transcribed Text] Vilnius, Aug 24, BNS — The central issue at the meeting of Lithuanian and

Polish prime ministers will be Lithuania's interest in membership in the Central European Free Trade Association [CEFTA].

Jozef Oleksy, prime minister of Poland, will arrive in Vilnius on an official visit in mid-September.

"It is very important to us that Poland take a favorable stand on this issue," said Adolfas Slezevicius, Lithuanian prime minister.

Commenting on the "conservative" position of the prime minister of the Czech Republic on CEFTA membership for the Baltic countries, Slezevicius said that none of the Baltic countries want to be a burden either for the Czech Republic or any other CEFTA country. Lithuania is simply interested in liberalizing trade, and Slezevicius sees no obstacles to this goal.

The prime ministers also intended to discuss cooperation on border and defense issues and coordination of air space control in accordance with standards of Poland and European Union, Slezevicius said.

The prime minister said that Lithuania wanted to fulfill its commitment to open a second station at the Kalvarija border crossing point, enabling eight additional lanes for cars to go into operation. This issue would also be discussed at the prime ministers' meeting.

Slezevicius expressed general satisfaction with how relations with Poland are developing.

Russia Seen Unwilling To Provide KGB Documents

*WS2408085495 Tallinn BNS in English
1032 GMT 23 Aug 95*

[FBIS Transcribed Text] Moscow, Aug 23, BNS — The Russian ministry of internal affairs has virtually refused to respond to Lithuania's request for information on Lithuanians who perished in Russia in 1940-41 and were posthumously pardoned in 1991.

Jonas Stanys, first secretary at the Lithuanian embassy in Moscow, told BNS that in their note, the Russian ministry of internal affairs stated that in the archives of

the federal security service were dossiers on five Lithuanians, that another 20 were probably in Lithuania and that they had no further information on the remaining cases.

The Lithuanian embassy had earlier sent a request for information from the foreign ministry to the Russian ministry of internal affairs, listing dozens of names.

The Lithuanian diplomat explained that, according to Russian procedures, only relatives or their authorized representatives could have access to archival documents.

After the dissolution of the Soviet Union, Lithuania on more than one occasion demanded that Russia return both historical KGB dossiers and KGB documents taken out of the country in 1990-91, but Russia has consistently ignored these requests.

LLU Protests Treatment of Belarusian Strikers

*WS2508120295 Vilnius ELTA in English
1801 GMT 24 Aug 95*

[From "News Bulletin" No. 828]

[FBIS Transcribed Text] Vilnius, August 24, ELTA — The Presidium of Lithuanian Labour Unions (LLU) urged an immediate release of detained Belarusian free trade unions' leader Genadij Bykov and other unionists in a statement addressed to Belarusian President Alyaksandr Lukashenka.

Director of LLU Press Center Daiva Kvedaraite told ELTA LLU had been provided information on a search conducted at the headquarters of the Belarussian Congress of Democratic Trade Unions.

LLU voiced protest against violent measures imposed on strikers at the Minsk underground station and Belarussian free trade unions.

Such measures are regarded by the LLU violations of trade union rights as contrary to international trade conventions ratified in Belarus.

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